





Chairman's Message

Dear Shareowners,

During the fiscal 2013-14, your Company witnessed greater financial stability and continued to make significant progress. We are pleased to share with you a strong Annual Report to support our ambitious growth plans. Growth history is a result of the sustained efforts of the marketing team which in turn resulted into remarkable sales and growth.

MACROECONOMIC FRONT

The year 2013-14 marked a subtle turnaround in the fortunes of the global economy as it showed signs of recovery with growth in demand especially in the second half of the year. On the domestic front, the economy seems to have finally bottomed out. After dipping to 4.5% during the previous year, GDP growth recovered to grow at 4.9%, largely due to the revival in agriculture growth. Growth in both the industrial sector and service sector remained lackluster on the back of weakness in both consumption and investment demand. A major problem for the economy was a very aggressive and disorderly bout of currency depreciation. The volatile rupee, stubborn inflation and stagnant industrial production continued to be a drag on the economy. Looking ahead, there are indications of a turnaround on account of better global growth, an improvement in export competitiveness and the implementation of recently approved investment projects. Additionally, the formation of a strong and stable government at the Centre is expected to augur well for India's economy due to speedier implementation of progressive policies.

INDUSTRY DEVELOPMENT REVIEW

Global steel production in 2013 continued to increase by 3.5% to 1,607 million tonnes despite tepid demand growth in most parts of the world. The most notable increase in production was in China where at least 58 new furnaces have come online, adding 80 million tonnes of annual capacity (about 8% of an existing 970 million tonnes). Steel production in Japan has also increased by 3.1% to 110.6 million tonnes. Production in some countries did decline in 2013, with a 4.4%, 2% and 1% fall in South Korea, the US and Brazil, respectively, and with Europe dropping by about 2%. Capacity utilization in the industry averaged 78.1% in 2013 — up from 76.2% during 2012.

India has become the second best in terms of growth amongst the top ten steel producing countries in the world and a net exporter of steel during 2013-14. Steel contributes to nearly two per cent of the

gross domestic product (GDP) and employs over 500,000 people. The infrastructure sector is India's largest steel consumer, thereby attracting investments from several global players. Owing to this connection with core infrastructure segments of the economy, the steel industry is of high priority right now. Also, steel demand is derived from other sectors like automobiles, consumer durables and infrastructure; therefore, its fortune is dependent on the growth of these user industries. Indian steel consumption is also forecast to rise as a result of government spending on infrastructure and higher consumption of consumer durables. However, iron ore prices in the domestic market are expected to remain soft due to the impact of export restrictions and duties on domestic pricing.

YOUR COMPANY & GROWTH

Quality of our assets and growing demand for our products resulted net revenue from operations of Rs. 47327.85 Lacs during the financial year 2013-14. Margins were better due to lower prices of key raw materials and also due to reduction in their specific consumption. As a result, the company achieved a better Profit Before Tax at Rs. 1718.84 Lacs (Rs. 1515.36 Lacs in the previous year) and Profit After Tax at Rs. 1497.99 Lacs (Rs. 1172.82 Lacs in the previous year). The Earnings Per Share has increased to Rs. 5.18 per share (Rs. 4.38 per share in the previous year). In view of improved operational and financial results, the Board has recommended a dividend @ 5% on the outstanding Equity Shares.

Even though we operated in a challenging economic environment, volatile markets and low global growth rates, our Revenue and Profit remained strong and enabled us to deliver robust profits in FY 2013-14. The company remains focused to improve its core business and to be debt free in the coming years

The Companies Act, 2013 applicable now has brought in provisions which require the companies to adhere to stringent corporate governance norms. I am proud to state that your Company has always followed the highest standards of Corporate Governance and consider it as more of an ethical requisite than a regulatory necessity.

I take this opportunity to sincerely thank all its stakeholders and also all our colleagues across the country for their hard work. I am grateful to the Board of Directors for their support and guidance.

Thanking you,

Yours truly
C. P. Agrawal

GALLANTT ISPAT LIMITED

Corporate Identity Number (CIN): L27109WB2005PLC101650

Tenth Annual Report 2013-2014

Corporate Information

BOARD OF DIRECTORS

Mr. Chandra Prakash Agrawal
Chairman & Managing Director
Mr. Prem Prakash Agrawal
Whole Time Director
Mr. Nitin M Kandoi
Director-Plant Operation
Mr. Santosh Kumar Agrawal
Director-Sales & Marketing
Mr. Rajesh Kumar Jain
Non-Executive Independent Director
Mr. Jyotirindra Nath Dey
Non-Executive Independent Director
Mr. Piyush Kankrania
Non-Executive Independent Director
Mrs. Sangeeta Upadhyay
Non-Executive Independent Director

AUDITORS

Anoop Agarwal & Co.,
Chartered Accountants

COST AUDITORS

U. Tiwari & Associates
Cost Accountants

COMPANY SECRETARY

Mr. Nitesh Kumar

REGISTERED OFFICE

1, Crooked Lane, Second Floor,
Room Nos. 222 & 223, Kolkata - 700 069
Telefax: 033-40642189
Website: www.gallantt.com

BANKERS

State Bank of India
State Bank of Mysore
State Bank of Patiala
ICICI Bank
HDFC Bank

EQUITY SHARES LISTED ON

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

REGISTRARS & SHARE TRANSFER AGENTS

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B.R.B. Basu Road
Kolkata - 700 001
Ph.: 033-22357270/7271/3070/2234
Fax: 033-22156823

WORKS OFFICE

Plot No. AL-5, Sector – 23, Gorakhpur
Industrial Development Authority (GIDA)
Sahjanwa, Gorakhpur, Uttar Pradesh

AUDIT COMMITTEE OF THE BOARD

Mr. Piyush Kankrania - Chairman
Mr. Rajesh Kumar Jain
Mr. Jyotirindra Nath Dey

STAKEHOLDERS RELATIONSHIP COMMITTEE OF THE BOARD

Mr. Rajesh Kumar Jain - Chairman
Mr. Piyush Kankrania
Mr. Jyotirindra Nath Dey

NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

Mr. Jyotirindra Nath Dey - Chairman
Mr. Piyush Kankrania
Mr. Rajesh Kumar Jain

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD

Mr. Jyotirindra Nath Dey - Chairman
Mr. Chandra Prakash Agrawal
Mr. Prem Prakash Agrawal

10th ANNUAL GENERAL MEETING	
Date	09.09.2014
Day	Tuesday
Time	11.30 A.M.
Place	RABINDRA OKAKURA BHAVAN DD-27/A/1, Sector – 1, DD Block Salt Lake City, Kolkata - 700 091
Book Closure Date for AGM	Wednesday, September 03, 2014 to Tuesday, September 09, 2014 (both days inclusive)

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Notice

Notice is hereby given that the Tenth Annual General Meeting of GALLANTT ISPAT LIMITED (CIN:L27109WB2005PLC101650) will be held on Tuesday 9th September, 2014 at 11.30 A.M. at – RABINDRA OKAKURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City, Kolkata - 700 091 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Financial Statements of the Company for the year ended March 31, 2014 including the Audited Balance Sheet as March 31, 2014, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a dividend of Re.0.50/- (Paise Fifty only) per share (5%) on the fully paid 2,92,66,505 equity share of ₹ 10/- each.
3. To appoint a Director in place of Mr. Nitin M Kandoi (holding DIN 01979952), who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint auditors of the Company and to fix their remuneration and to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139, 141 and 142 of the Companies Act, 2013, and the Rules made thereunder, M/s. Anoop Agrawal & Co., Chartered Accountants (ICAI Registration No. 01739C), Gorakhpur, the retiring auditors, be and are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the fifteenth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM) at such remuneration plus service tax, out-of-pocket, traveling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors”.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jyotirindra Nath Dey (DIN: 00180925), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and also

in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019, not liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Piyush Kankrania (DIN: 05241962), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and also in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019, not liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Kumar Jain (DIN:

02113164), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and also in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019, not liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT Mrs. Sangeeta Upadhyay (DIN: 06920195) who was appointed as an Additional Director by the Board of Directors of the Company with effect from July 10, 2014, pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and eligible for appointment and who holds office up to the date of this Annual General Meeting, in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to July 09, 2019, not liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

9. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

“RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable

provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the reappointment of Mr. Nitin M Kandoi (holding DIN 01979952) as Whole-time Director of the Company designated as “Director-Plant Operation”, retiring by rotation, for a period of five years commencing from October 10, 2014 on the terms and conditions including remuneration set out in the Agreement dated July 10, 2014 entered into between the Company and Mr. Nitin M Kandoi with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Nitin M Kandoi provided that the remuneration payable to Mr. Nitin M Kandoi shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013.”

“RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement to be entered into by Mr. Nitin M Kandoi with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following :

Salary : At the rate of ₹ 1,10,000/- (Rupees One Lac Ten Thousand only) per month from 10th October, 2014 in the scale of ₹ 1,10,000/- 10,000/- 1,60,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

Perquisites : He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding ₹ 3,00,000/- in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

Others : Use of car for Company’s business, telephone and other communication facilities at residence/ other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisites.

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole-time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.

Sitting Fees : The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Gratuity and encashment of leave : He will be entitled to gratuity and encashment of leave as per rules of the Company".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Nitin M Kandoi any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Nitin M Kandoi in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force)".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto".

10. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Santosh Kumar Agrawal (DIN: 01045228) who was appointed as an Additional Director by the Board of Directors of the Company with effect from July 10, 2014, and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

"RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the

purpose of giving effect to this resolution".

11. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the appointment of Mr. Santosh Kumar Agrawal as Whole-time Director of the Company designated as "Director-Sales & Marketing", retiring by rotation, for a period of five years commencing from July 10, 2014 on the terms and conditions including remuneration set out in the Agreement dated July 10, 2014 entered into between the Company and Mr. Santosh Kumar Agrawal with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Santosh Kumar Agrawal provided that the remuneration payable to Mr. Santosh Kumar Agrawal shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

"RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Mr. Santosh Kumar Agrawal with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following :

Salary : At the rate of ₹ 1,10,000/- (Rupees One Lac Ten Thousand only) per month from 10th July, 2014 in the scale of ₹ 1,10,000/- 10,000/-1,60,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

Perquisites : He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding ₹ 3,00,000/- in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

Others : Use of car for Company's business, telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisites.

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole-time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.

Sitting Fees : The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Gratuity and encashment of leave : He will be entitled to gratuity and encashment of leave as per rules of the Company".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Santosh Kumar Agrawal any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Santosh Kumar Agrawal in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto".

12. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution :

"RESOLVED THAT in supersession of the Resolutions approved at the Extra Ordinary General Meeting held on October 13, 2008 and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of the Company be and is hereby accorded

to the Board of Directors (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow monies in excess of the aggregate of the paid-up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹ 250 Crore (Two Hundred and Fifty Crore only)."

"RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, required or considered necessary or incidental thereto, for giving effect to the aforesaid resolution."

13. To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/ bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or nonconvertible and/or securities linked to equity shares and/or rupee/ foreign currency convertible bonds and/ or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹ 250 Crore (Rupees Two Hundred Fifty Crore only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof be and is hereby authorized to finalize, settle and execute such documents /deeds / writings / papers

/ agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid."

14. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration Number 23872) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, be paid remuneration amounting to ₹ 35,000/- (Rupees Thirty Five Thousand only) excluding out of pocket expenses, if any".

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

15. 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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

16. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to

the appointment of Mrs. Madhu Agrawal (Wife of Mr. Chandra Prakash Agrawal, Chairman and Managing Director) as a Senior Executive (Office Administration-Works) in the Company with effect from July 10, 2014 on the following terms & conditions including remuneration and in pursuance of the service rules as applicable to the employees of the Company :

Salary : In the scale of ₹ 55,000/- – ₹ 5,000/- – ₹ 1, 00,000/- per month.

Perquisites : She will be entitled to receive Rs. 15,000 per annum as medical reimbursement subject to submission of Medical bills. She will be entitled to maintain a car at the expenses of the Company to be used for official purposes.

Others : Use of telephone and other communication facilities at residence/ other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by her shall not be treated as perquisites.

For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

Gratuity and encashment of leave: She will be entitled to gratuity and encashment of leave as per rules of the Company".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/ send such notices, directions as may be necessary to give effect to the above resolution."

By Order of the Board

Date : July 10, 2014

Place : Kolkata

Nitesh Kumar
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A

SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books shall be closed from Wednesday, September 03, 2014 to Tuesday, September 09, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.
9. The dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2014, when declared at the Meeting, will be paid :
 - (i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 2nd September, 2014 after giving effect to all valid transfers in physical form lodged on or before 2nd September, 2014 with the Company and/or its Registrar and Transfer Agent; and
 - (ii) in respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 2nd September, 2014.
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and

Transfer Agents, Niche Technologies Private Limited (the "Niche") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Niche.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Niche.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
14. Members who have not so far encashed their Dividend Warrants for the Financial years ended 31st March, 2011, 2012 and 2013 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants.
15. The Company has implemented the 'Green Initiative' as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013 (corresponding provisions of Section 219 of the Companies Act, 1956). Members may also note that the Notice of the 10th AGM and the Annual Report for FY 2013-14, copies of audited financial statements, directors' report, auditors' report etc. will also be available on the website of the Company, www.gallantt.com for download. Members holding shares in electronic mode are therefore requested to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company.
16. Pursuant to Section 101 and Section 136 of the

Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

17. VOTING THROUGH ELECTRONIC MEANS

- I) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means. As an alternative to vote physically at the AGM, and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)
- II) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and

treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:

III) The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 03, 2014 at 10.00 A.M. and ends on September 05, 2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of July 18, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "GALLANTT ISPAT LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc. <p><i>Example:</i></p> <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>

DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.
	<ul style="list-style-type: none"> • Please Enter the DOB or Bank Account Number in order to Login. • If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date) of July 18, 2014.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant GALLANTT ISPAT LIMITED on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
18. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 18th July, 2014.
19. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on Friday, 18th July, 2014.
20. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 18th July, 2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
21. Mr. Tanmay Kumar Saha, Practising Company Secretary (Membership No. A27396) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes

in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

22. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL and website of Gallantt Ispat Limited within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

Mr. Jyotirindra Nath Dey is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2009. Mr. Jyotirindra Nath Dey is the Chairman of the Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company and Member of Audit Committee, Stakeholders Relationship Committee of the Board.

Mr. Jyotirindra Nath Dey is an Electrical Engineer having experience of over 44 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. Association of Consulting Engineer (I), Indian Society of Lighting Engineering, Arbitration any many more. Mr. Dey is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Dey being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 not liable to retire by rotation. A notice has been received from a member along with a deposit of ₹ 1,00,000/- proposing Mr. Dey as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Dey fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter for appointment of Mr. Dey as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would

be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dey as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dey as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dey, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Piyush Kanrania is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in March, 2012. Mr. Piyush Kanrania is the Chairman of the Audit Committee and Members of Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors.

Mr. Piyush Kanrania, aged about 27 years, is finance professional with over 5 years of work experience. After graduating as Bachelor of Commerce from Calcutta University, Mr. Kanrania qualified as a Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance and corporate law matters. Mr. Kanrania is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Kanrania being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 not liable to retire by rotation. A notice has been received from a member along with a deposit of ₹ 1,00,000/- proposing Mr. Kanrania as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Kanrania fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kanrania as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kanrania as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kanrania as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Kanrania, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Mr. Rajesh Kumar Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October, 2009. Mr. Rajesh Kumar Jain is the Chairman of the Stakeholders Relationship Committee and Members of Audit Committee and Nomination and Remuneration Committee of the Board of Directors.

Mr. Rajesh Kumar Jain, aged about 46 years, is finance professional with over 14 years of work experience. After graduating as Bachelor of Commerce from Gorakhpur University, Mr. Rajesh Kumar Jain qualified as a Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance, legal and corporate law matters.

Mr. Jain is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Jain being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019 not liable to retire by rotation. A notice has been received from a member along with a deposit of ₹ 1,00,000/- proposing Mr. Jain as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Jain fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Jain as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Jain as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Jain as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

Item Nos. 8

Mrs. Sangeeta Upadhyay (DIN: 06920195) has been appointed as an Additional Director by the Board with effect from July 10, 2014. Pursuant to Section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Sangeeta Upadhyay will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section

160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mrs. Sangeeta Upadhyay for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Sangeeta Upadhyay (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mrs. Sangeeta Upadhyay as an Independent Director of the Company up to July 09, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Sangeeta Upadhyay, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and she is Independent of the Management. A copy of the draft letter for the appointment of Mrs. Sangeeta Upadhyay as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Mrs. Sangeeta Upadhyay, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

Item No. 9

The tenure of Mr. Nitin M Kandoi as Whole-time Director was upto 9th October, 2014. Subject to the approval of the Shareholders in the next General Meeting, the Board of Directors have at their Meeting held on July 10, 2014, pursuant to the approval of the Nomination and Remuneration Committee, approved the re-appointment of Mr. Nitin M Kandoi as Whole-time Director of the Company for a period of 5 years w.e.f. 10th October, 2014. Mr. Nitin M Kandoi, a promoter of the Company having experience of 19 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.

Mr. Kandoi supervises the operation and functioning of steel and power plants, besides he supervises purchase and procurement departments of the Company. He is aged about 42 years. The proposed remuneration will be within overall limit of Schedule V of the Companies Act, 2013. In his term of office since inception, Mr. Nitin M Kandoi has contributed extensively towards the growth of the Company and has been actively responsible together with other officers for the installation, implementation and functioning of units of the Company and attainment of the highest standards of quality. The Company has streamlined the process and achieved great administration within the organization under his superb guidance. In view of the significant contributions made by him, the Board of Directors recommend the appointment of Mr. Nitin M Kandoi as a Whole-time Director designated as "Director-Plant Operation" for a period of five years on the remuneration as detailed hereinbelow, which shall be effective from October 10, 2014.

Mr. Nitin M Kandoi forms part of the Promoter Group as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and holds 80,000 Equity Shares in the Company.

Further, he is a Director of Gallantt Metal Limited. Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Nitin M Kandoi are as follows :

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 (five) years w.e.f. 10.10.2014.
3. **Remuneration :**

Salary : At the rate of ₹ 1,10,000/- (Rupees One Lac Ten Thousand only) per month from 10th October, 2014 in the scale of ₹ 1,10,000-10,000-1,60,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

Perquisites : He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding ₹ 3,00,000/- in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

Others : Use of car for Company's business, telephone and other communication facilities at residence/ other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisites.

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole-time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.

Sitting Fees : The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

Gratuity and encashment of leave : He will be entitled to gratuity and encashment of leave as per rules of the Company.

No director, key managerial personnel or their relatives, except Mr. Nitin M Kandoi (and his relatives), to whom the resolution relates, is interested or concerned in the resolution.

The proposed resolution is required to be passed as an Ordinary Resolution as required under the Schedule V to the Companies Act, 2013 and as such, the Directors commend your approval. In compliance with the provisions of Section 196 and 197 of the Companies Act, 2013, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

A copy of the Agreement dated July 10, 2014 referred to in the resolution at Item No. 9 will be available for inspection by the Members at the registered office of the Company between 11.00 A.M. and 1.00 P.M. on any working day except Saturday.

Item No. 10

The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee and Audit Committee, at their meeting held on July 10, 2014 appointed Mr. Santosh Kumar Agrawal (relative of the Company's Directors viz. Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal) as an Additional Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mr. Santosh Kumar Agrawal for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Santosh Kumar Agrawal requisite disclosures; consent to act as a Director, declaration and other undertakings as may be required under provisions the Companies Act, 2013 and rules made thereunder. In the opinion of the Board of Directors, Mr. Santosh Kumar Agrawal, the Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder. Mr. Santosh Kumar Agrawal holds 25,000 Equity

Shares in the Company.

Mr. Santosh Kumar Agrawal holds a Master Degree in Chemistry from Gorakhpur University, Uttar Pradesh. Mr. Santosh Kumar Agrawal has started his career long years back and having experience of 40 years in the Steel and Agro Industries. Mr. Santosh Kumar Agrawal was closely associated with Govind Mills Limited (amalgamated with Gallantt Udyog Limited) and during his tenure of service, Govind Mills Limited achieved a high level of turnover and growth. He has served Gallantt Udyog Limited in the capacity of Managing Director. He was looking after operations of the agro manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited). During this period and under his Directorship, the Gallantt Udyog Limited has completed and achieved various targets and plans and the Company achieved higher levels of growth.

Other than Santosh Kumar Agrawal, Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal and their relatives, none of the other Directors, Key Managerial personnel or their relatives is interested or concerned in the proposed Resolution at Item No. 10 of this Notice. The resolution set forth in Item No. 10 seeks the approval of members for the appointment of Mr. Santosh Kumar Agrawal as a Director retiring by rotation.

Item No. 11

At their meeting held on 10th July, 2014 the Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee and Audit Committee, appointed Mr. Santosh Kumar Agrawal as a Whole-time Director of the Company designated as "Director-Sales & Marketing" for a period of five years effective from 10th July, 2014. The Board also approved the terms and conditions of his appointment including remuneration, as recommended by the Nomination and Remuneration Committee, in accordance with the provisions of Sections 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders at the ensuing General Meeting.

Pursuant to the provisions of Section 197 and 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. Santosh Kumar Agrawal is appointed as the Whole-time Director of the Company upon the terms of remuneration given below :

Salary : At the rate of ₹ 1,10,000/- (Rupees One Lac Ten Thousand only) per month from 10th July, 2014 in the scale of ₹ 1,10,000/- 10,000/-1,60,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

Perquisites : He will be entitled to reimbursement of medical expenses and leave travel concession for self and family,

club fees & premium for medical/accidental insurance subject to maximum amount not exceeding ₹ 3,00,000/- in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

Others : Use of car for Company's business, telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisites.

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole Time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.

Sitting Fees : The Whole Time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

Gratuity and encashment of leave : He will be entitled to gratuity and encashment of leave as per rules of the Company.

Qualification, Experience and other details of Mr. Santosh Kumar Agrawal has been described hereinabove in Item No. 10. The remuneration proposed to be paid to Mr. Santosh Kumar Agrawal is justified having regard to the nature of services required from him and is commensurate with his knowledge and experience in the industry. He shall be liable to retire by rotation and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors in fixing the number of Directors to retire. He holds directorship in Gorakhpur Texpark Private Limited. Notwithstanding anything to the contrary herein, wherein any financial year during the currency of the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay to the Whole-time Director, remuneration, perquisites, benefits and amenities not exceeding the ceiling for the time being laid down in Schedule V of the Companies Act, 2013 and as may be decided by the Board of Directors of the Company and subject to such sanctions and approvals as may be necessary.

Mr. Santosh Kumar Agrawal satisfies all the conditions as set out in Part I of Schedule V as also under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Whole-time Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Board of Directors are of the opinion that the appointment of Mr. Santosh Kumar Agrawal as the Whole-time Director is in the best interest of the Company and accordingly, recommend the resolution set out in Items No. 11 for approval of the members.

The Agreement entered into with Mr. Santosh Kumar

Agrawal in terms of the Resolution under item No. 11 of the notice will be made available for inspection at the Registered Office of the Company on any working day, prior to the date of this Tenth Annual General Meeting between 11.00 A.M. and 1.00 P. M. except Saturday and will also be available for inspection at the place and date of the Meeting.

Other than Santosh Kumar Agrawal, Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal and their relatives, none of the other Directors, Key Managerial personnel or their relatives is interested or concerned in the proposed Resolution at Item No. 11 of this Notice.

The resolution set forth in Item No. 11 seeks the approval of members for the appointment of Mr. Santosh Kumar Agrawal as a Whole-time Director retiring by rotation.

Item No. 12

The members of the Company at their Extraordinary General Meeting held on October 13, 2008 approved Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 250 Crore (Rupees Two Hundred Fifty Crore).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow monies in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a special resolution. It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1) (c) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out at Item No. 12 of the Notice, to enable the Board of Directors to borrow monies not exceeding ₹ 250 Crore.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

Item No. 13

Under the erstwhile Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

In the normal course of business, the Company from time to time is required to avail Term Loans, Working Capital, External Borrowings or any other financial accommodation.

A charge on the assets/properties of the Company, both present and future, is normally given as security for such borrowings. As the documents to be executed for the creation of such charge/mortgages from time to time to secure such borrowings, may contain the power to take over the management of the Company in certain events, it is necessary for the shareholders to pass a resolution under section 180(1)(a) of the Companies Act, 2013 for the creation of the mortgage/charge as set out in this resolution.

Under the provisions of Section 180 (1) (a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013, i.e. up to 11th September, 2014. As such, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders may contain the power to take over the management of the Company in certain events, it is necessary to obtain Members' approval under Section 180 (1) (a) of the Companies Act, 2013, by way of a Special Resolution. Your directors recommend the resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

Item No. 14

The Board of Directors at its meeting held on July 10, 2014 appointed M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration No. 23872), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2015, at a remuneration amounting to ₹ 35,000 (Rupees Thirty Five Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 14 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 14 of this Notice.

Item No. 15

The Articles of Association (AoA) of the Company as currently in force was originally adopted as per the provisions of the Companies Act, 1956 and further amendments were adopted pursuant to the provisions under the Companies Act, 1956, from time to time. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. The new Companies Act, 2013 is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

The Board commends the Special Resolution set out at Item No. 15 of the Notice for approval by the shareholders.

Item No. 16

Mrs. Madhu Agrawal, wife of Mr. Chandra Prakash Agrawal (Chairman and Managing Director), has joined the Company and appointed as a Senior Executive (Office Administration-Works) with effect from July 10, 2014. Her appointment was approved by the Board of Directors of the Company at its meeting held on July 10, 2014 effective from July 10, 2014.

Mrs. Madhu Agrawal is aged about 57 years and is a qualified Graduate. She held various positions in the Group Company M/s. Gallantt Udyog Limited before and significantly contributed to the growth of the Company. She has vast experience in the field of Administration, particularly in day to day management of activities within and outside the organization.

Mrs. Madhu Agrawal is related to Mr. Chandra Prakash Agrawal, Chairman and Managing Director of the Company

and her appointment in place of profit attracts Section 188 of the Companies Act, 2013.

The Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company at its Meeting held on July 10, 2014 have approved the appointment of Mrs. Madhu Agrawal effective July 10, 2014. Keeping in view Company's recruitment policy Mrs. Madhu Agrawal has been appointed in a senior level on the terms & conditions and in pursuance of service rules as applicable to the employees of the Company. Also, considering his experience and expertise, the Audit Committee, the Nomination and Remuneration Committee, and the Board of Directors of the Company felt that the remuneration package offered to her is fair, reasonable and also in line with the remuneration package prevailing in the industry.

In terms of the provisions of Section 188 of the Companies Act, 2013, the proposed Special Resolution seeks approval of the Members of the Company for appointment of Mrs. Madhu Agrawal w.e.f. July 10, 2014, as is a related party to Mr. Chandra Prakash Agrawal, Chairman & Managing Director of the Company.

The Board of Directors of the Company recommends the resolution for approval of the Members. Except Mr. Chandra Prakash Agrawal, being relative of Mrs. Madhu Agrawal, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 16.

By Order of the Board

Place : Kolkata
Date : July 10, 2014

Nitesh Kumar
Company Secretary

Directors' Report

Dear members

Your Directors have pleasure in presenting the 10th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2014.

1. WORKING RESULTS

(₹ in Lacs)

Financial Results	2014	2013
Income from operation	47,327.85	41,099.81
Other Income	53.63	2,259.41
Profit before Interest, Depreciation and Tax	4,981.91	5,325.00
Less: Finance Cost	1,541.16	2,093.97
Profit before Depreciation & Tax	3,440.75	3,231.03
Less : Depreciation (including amortization)	1,694.07	1,664.35
Less : Exceptional and Extraordinary Items	27.84	27.86
Less : Prior period Expenses	—	23.46
Profit Before Tax	1,718.84	1,515.36
Tax Expenses	220.85	342.54
Profit After Tax	1,497.99	1,172.82

2. PERFORMANCE REVIEW

During the year your Company has achieved revenue from operations of ₹ 47327.85 Lacs, Net Profit of ₹ 1497.99 Lacs and Earnings per Share (EPS) of ₹ 5.18 for the Financial Year ended March 31, 2014. This is a reflection of the quality of our assets and growing demand for our products across the region. The increase in turnover for the Financial Year 2013-14 by over 15% to ₹ 47327.85 Lacs from ₹ 41099.81 Lacs in the previous year essentially due to exploring the new market and wide acceptance of product of the Company. This spectacular achievement is the result of goal oriented workings, cost effective production, increase in operational efficiency and better working capital management.

Yours Directors are pleased to report a good performance of the Company in terms of both financial and operational performance.

3. DIVIDEND

The management is pleased to recommend dividend at the rate of ₹ 0.50/- (Fifty Paise only) per Equity Share on 2,92,66,505 Equity Shares of ₹ 10/- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be ₹ 1,46,33,252.50 subject to tax.

4. 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, 2014.

- That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent applicable, 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.

5. CORPORATE GOVERNANCE

The Company has always strived to maintain applicable standards of good corporate governance and the commitment to good corporate governance is embodied in its vision, mission and corporate values. In compliance with the requirements of Clause 49 of the Listing Agreement, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance forms an integral part of this Report. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is appended to the Annual Report.

6. 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 2014-15. The ISIN No. of the Company is INE528K01011

7. CREDIT RATING

India Ratings and Research, a Fitch Group Company (hereinafter referred to as "India Ratings") has assigned BB- as credit rating. Rating has been upgraded by India Ratings from "B" to "BB-".

8. FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year to which the provisions of Section 58A of Companies Act, 1956 and Section 73 of the Companies Act, 2013 are applicable.

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. Anoop Agarwal & Co., Chartered Accountants, statutory auditors of the Company was reappointed as the Auditors of the Company at the previous Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, Statutory Auditors of the Company shall hold office until the conclusion of the 5 years and the proposal has been placed before the Members. Necessary certificate has been obtained from the Auditors as per Section 139(1) of the Companies Act, 2013.

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

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

In pursuit of continual improvement towards energy conservation and compliance with environmental regulations, efforts have been taken to utilise the energy most efficiently and to nurture and preserve the environment. 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.

12. AMALGAMATION OF GALLANTT UDYOG LIMITED WITH THE COMPANY

Board of Directors has, at its meeting held on 12th August, 2013, approved the Scheme of Amalgamation of Gallantt Udyog Limited with the Company. Consequent upon the introduction of new Companies Act, 2013 Board of Directors had reviewed and re-approved the said Scheme of amalgamation on November 25, 2013. Company has complied with the formalities under Clause 24f of the Listing Agreement and filed the

required documents along with the said Scheme with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI). Securities and Exchange Board of India (SEBI) has, vide its letter bearing no. CFD/DIL/HB/MT/14086/2014 dated May 16, 2014, issued its letter of observation/comment to the Company. Bombay Stock Exchange Limited vide its letter bearing no. DCS/AMAL/BS/24(f)/050/2014-15 dated May 20, 2014 and National Stock Exchange of India Limited vide its letter bearing no. Ref: NSE/LIST/239345-W dated May 21, 2014 have also granted their No Objection to the said amalgamation.

As per the Scheme of Amalgamation as approved by the Board of Directors of both the Companies and sanctioned and cleared by the Stock Exchanges and SEBI, shareholders of Transferor Company will get 5 Equity Shares in the Company for every 6 Equity Shares held in the Transferor Company (in the ratio of 5:6).

13. COST AUDIT

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2012-13 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed with the approval of the Central Government to carry out the cost audit in respect of the Company for the financial year 2013-14 Based on the recommendation of the Audit Committee, M/s. U. Tiwari & Associates, Cost Accountants being eligible have also been appointed by the Board as the Cost Auditors for the financial year 2014-15.

14. CORPORATE SOCIAL RESPONSIBILITY

The Companies Act, 2013, as introduced, vide Section 135, provides for specific provision for spending on Corporate Social Responsibility. It stipulates expenditure of 2% of the average profit of past three years on CSR activities. The Act further requires the Board Report to give a note on such activities and in the event of shortfall from the specified quantum, the reasons for the same to be explained therein. The Company is committed to the fulfillment of its social responsibility to society in general and those living in the vicinity of its facilities in particular. It regards this as a thrust activity area.

Board of Directors, in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, has constituted Corporate Social Responsibility Committee (CSR Committee). It consists of the following Directors :

Name	Designation
Mr. Jyotirindra Nath Dey,	Chairman
Mr. Prem Prakash Agrawal	Member
Mr. Chandra Prakash Agrawal	Member

Terms of Reference :

- Recommend to the Board, a Corporate Social Responsibility Policy of the Company, including the activities to be undertaken by the Company in conformity with Schedule VII of the Companies Act, 2013 and the Rules thereof.
- Recommend the amount of expenditure to be incurred on CSR activities on an annual basis, and
- Monitor the CSR policy of the Company from time to time.

15. FINANCE AND ACCOUNTS

The Company has gone through a challenging year which has showed volatility in raw material prices. Even though the core raw material price has declined from its peak level other input costs like labour and other raw materials continued its increasing trend and has affected the profitability. To face this challenge we strive to save cost in all areas of production to offer better competitive price. Our continuous improvement in production process, cutting edge technology, good customer care, strategic marketing planning and better utilization of resources also helped the Company to achieve our growth in profitability.

Company has repaid in full Term Loan amount availed from State Bank of Mysore and State Bank of Patiala. Also, Term Loan availed from State Bank of India is being repaid on time. Consequently, the interest cost has decreased significantly which in turn fetched a remarkable profit. The ratios of Debt/Equity and the Interest covers are healthy. The accounts have been prepared as per the revised Schedule VI of the Companies Act, 1956. The internal accruals are being utilized for in the business for meeting working capital requirements and in funding other capital expenditure.

16. INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

17. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

People are considered to be one of most valuable resources and the Company recognizes that working environment motivate employees to be productive and innovative. Your Company took various initiatives for human resource development and has maintained healthy and harmonious industrial relations at all locations. Your Company organized various In-house training programs to equip our human assets. This active process of learning made the employees competent and motivated. Our employees form the backbone, a solid foundation, of our organization. With this solid foundation of employees Company is now looking

for a global reach. Industrial relations have remained harmonious throughout the year.

18. AWARD AND RECOGNITIONS

During the Year and the previous year, Company we have received following awards and reconciliation :

1. Uttar Pradesh "Udyami Samman – 2011" has been awarded by Zee Media House which was presented by Shriprakash Jaiswal, Hon'ble Coal Minister, Central Government.
2. Awarded "Best Performing Company -2013 in Uttar Pradesh" by Sahara Samay Media House presented by Shri Akhilesh Yadav, Hon'ble Chief Minister of U.P.
3. Group has been listed on India's Super Rich List at 309th position in 2013 by the Business World Magazine.

19. BOARD OF DIRECTORS AND SENIOR EXECUTIVE

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. Jyotirindra Nath Dey, Mr. Rajesh Kumar Jain and Mr. Piyush Kankrania as Independent Directors of your Company up to 5 (five) consecutive years up to 31st March, 2019 not liable to retire by rotation.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Sangeeta Upadhyay has been appointed as Independent Woman Director. She can hold office for a term of upto five consecutive years on the Board of Directors of your Company and are not liable to retire by rotation.

Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice and Corporate Governance Report. Your Directors recommend their appointment/reappointment as Directors of your Company.

The Board of Directors comprises of Eight Directors of which four are Independent Directors. In terms Section 152 of the Companies Act, 2013, Mr. Nitin M Kandoi, liable to retire by rotation at the ensuing Annual General Meeting and eligible for re-election.

Appointment of Mr. Nitin M Kandoi as a Whole-time Director terminates on 9th October, 2014. Pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the

Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, Board of Directors of the Company at its meeting held on July 10, 2014 reappointed Mr. Nitin M Kandoi as Whole-time Director of the Company designated as Director (Plant Operation) effective from 9th October, 2014. Above appointments are subject to the approval of the shareholders of the Company.

Mr. Santosh Kumar Agrawal, Brother of Mr. Chandra Prakash Agarwal and Mr. Prem Prakash Agarwal (both the Directors), has been appointed as an Additional Director and pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions, Board of Directors of the Company, at the same meeting, appointed him as a Whole-time

Director for a period of five years effective from July 10, 2014 designated as Director (Sales and Marketing). Above appointments are subject to the approval of the shareholders of the Company.

Mrs. Madhu Agrawal has been appointed as a Senior Executive (Office Administration-Works) by the Board of Directors of the Company. Mrs. Madhu Agrawal possesses vast experience in the administration and lionising particularly in day to day management of activities within and outside the organization. She was associated with Gallantt Udyog Limited as a Whole-time Director. Her association with the Company may prove an asset for the Company.

20. UNPAID AND UNCLAIMED AMOUNT OF DIVIDEND AND SHARE APPLICATION MONEY

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2014 :

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In ₹)
Share Application Money	2010-11	HDFC Bank Account No. 00142300001609	71,900.00
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	9,929.00
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	5,419.00
Final Dividend for 2013	2012-13	IDBI Bank Account No. 135103000007344	17,307.00

Unpaid dividend amounts and share application money are not available for use by the Company. There is no amount due and outstanding to be credited to Investors' Education and Protection Fund as on 31.03.2014.

21. INTERNAL COMPLAINT REGARDING SEXUAL HARASSMENT

There were no cases of sexual harassment of woman at work place. Also, there are no instances of child labour/ forced labour/ involuntary labour and discriminatory employment during the year.

22. RECONSTITUTION OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS

Board of Directors of the Company, in accordance with Section 177 and 178 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and amended Clause 49 of the Listing Agreement, has reconstituted and widened the various Committees of the Board.

Accordingly, the Company has renamed its existing Remuneration Committee as Nomination and Remuneration Committee and have delegated to it powers as required under section 178 of the Act. The existing Shareholders and Investor Grievance Committee has been renamed as "Stakeholders Relationship Committee".

The scope of Audit Committee has also been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013.

The Company has also constituted a Corporate Social Responsibility Committee as required under Section 135 of the Companies Act, 2013.

23. ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

On behalf of the Board

Place: Kolkata
Date: July 10, 2014

C. P. Agrawal
Chairman

Annexure to Directors' Report

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken

All manufacturing units continued their efforts to reduce specific energy consumption. Specific and Total energy consumption indicators are tracked on monthly basis at the individual factory level and also at the consolidated manufacturing level. Your Company's technical team monitors closely and vigorously various plants and equipments and suggests adoption of new and latest technology etc. and discuss to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving the efficiency of

generation and also in the reduction in energy consumption. The measures taken in all the Company's manufacturing units can be briefly enumerated as below:

- (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

Particulars with respect to Conservation of Energy :

Particulars	2013-14	2012-13
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Total Unit in Lacs (KWH)	213.38	235.54
Amount ₹ in Lacs	1,290.21	1,251.57
Rate Per Unit (₹)	6.05	5.31
(b) Own Generation		
Total Units in Lacs (KWH)	820.05	714.07
Amount ₹ In Lacs	4,803.30	3,626.43
Rate per Unit (₹)	5.86	5.08
2. Coal		
Quantity - M.T.	1,32,871.27	94,086.66
Total Cost - ₹ in Lacs	9,067.47	8,360.44
Average Rate ₹ per M.T.	6,824.25	8,885.90
3. Furnace Oil		
Quantity (K. Ltrs.)	28.70	17.90
Total Cost (₹ Lacs)	12.27	7.89
Average Rate (₹ / K. Ltrs.)	42,788.39	44,078.21
B. Consumption per unit of production		
1. Electricity (Unit/M.T.)		
- Agro	113.90	124.40
- Sponge Iron	87.04	103.41
- SMS (Furnace and Concast)	855.72	885.81
- Rolling Mills	147.40	136.51
2. Coal		
- Power Plant (per 1000 KWH)	348.06	267.78
- Rolling Mills (Kg/M.T.)	69.93	114.10
- Sponge Iron (Kg/M.T.)	963.43	701.83

FORM – B
Disclosure of Particulars with respect to conservation of energy

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. Total foreign exchange used and earned

	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
CIF Value of imports	3,691.05	3,659.11
Expenditure in foreign currency	–	5.85

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Your Company recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. It, therefore, continues to remain committed to a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. The Company's philosophy on Corporate Governance is to conduct business and its dealings with all stakeholders in compliance with laws and high standard of business ethics for effective control and management system in an organization, which leads to enhancement of shareholders and other stakeholders' value. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth.

1. BOARD OF DIRECTORS

The composition of the Board as on March 31, 2014 is as follows:

- Executive Directors - 3
- Non Executive Independent Directors - 3

As on July 10, 2014, Board has appointed Mrs. Sangeeta Upadhyay as a Non-Executive Independent Woman Director and Mr. Santosh Kumar Agrawal as a Whole-time Director designated as "Director - Sales & Marketing". The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement.

During the financial year 2013-14, thirteen Board Meetings were held. These were held on 01.04.2013, 25.04.2013, 25.05.2013, 12.06.2013, 20.07.2013, 12.08.2013, 04.10.2013, 15.10.2013, 29.10.2013, 25.11.2013, 09.01.2014, 05.02.2014 and 30.03.2014.

The Board is balanced comprising Executive and Non-Executive Directors. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues.

Composition of the Board of Directors, their attendance in the Board Meetings and other particulars as on 31st March, 2014 is as follows :

(₹ in Lacs)

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 13 Meetings held during the year	No. of Other Directorships in Public Companies as on 31.03.2014	No. of Committee positions held in Other Public Companies as on 31.03.2014	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	Yes	12	1	Nil	Nil
Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	Executive / Promoter	No	11	Nil	Nil	Nil
Mr. Nitin M Kandoi Director (Plant Operations) (DIN:01979952)	Executive/ Promoter	No	10	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	13	2	2	4
Mr. Rajesh Kumar Jain Director (DIN: 02113164)	Non-Executive/ Independent	No	12	1	1	2
Mr. Piyush Kankrania Director (DIN: 05241962)	Non-Executive/ Independent	Yes	12	Nil	Nil	Nil

Notes :

- Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey and Mr. Piyush Kankrania have been considered as Independent Directors as they do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, etc. which in judgment of the Board, may affect independence of their judgment.
- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Stakeholders Relationship Committee (formerly Share Transfer and Investors'/Shareholders' Grievance Committee) and Nomination and Remuneration Committee (formerly Remuneration Committee) have been considered.
- All the Directors have certified that the disqualifications mentioned under Section 274(1)(g) of the Companies Act, 1956 do not apply to them.
- Except Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal who are brothers, no other directors have any inter se relationship.
- Mrs. Sangeeta Upadhyaya has been appointed as None-Executive Independent Directors on the Board of the Company.
- Mr. Santosh Kumar Agrawal has been appointed as a Whole-time Director on the Board of the Company with effect from July 10, 2014. He has Inter se relationship with Sri Chandra Prakash Agrawal and Mr Prem Prakash Agrawal.

The Board meets atleast once in a quarter to review the quarterly financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the business. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. The Board has complete access to any information within the Company which includes following information as specified in Annexure IA to the Clause 49 of the Listing Agreement :

- Annual budgets, strategic and operating plans & policies, cash flows and capital allocations and budgets,
- Quarterly, half yearly and annual results of the Company and its operating divisions or business segments along with the consolidated results of the group,
- Minutes of meetings of the Audit committee and other committee(s) of the Board,
- Information on recruitment of senior officers just below the Board level,
- Materially important show cause, demand, prosecution and penalty notices,
- Fatal or serious accidents or dangerous occurrences,
- Any materially significant effluent or pollution concerns,
- Any materially relevant defaults in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- Any issue which involves possible public or product liability claims of a substantial nature,
- Details of any joint venture or collaboration agreement,
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property,
- Significant labour problems and their proposed solutions,
- Significant initiatives and developments on the human resource and industrial relations fronts,
- Sale of a material nature of investments, subsidiaries and assets, which are not in the normal course of business,
- Investment of funds of the Company,
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement,
- Status on legal cases,
- Proposals for investments, divestments, loans, guarantees, mergers and acquisitions,
- Approval of related party transactions,
- Compliance reports of laws applicable to the Company,
- All other information which is relevant for decision making by the Board.

Role of Independent Directors

The Independent Directors devote sufficient time and attention to professional obligations for informed and balanced decision-making at the Board and various Committee Meetings. They regularly update and refresh skills, knowledge and familiarity with the Company and actively and constructively participate in the Meetings.

Names of directors and their shareholding in the Company as on March 31, 2014 are as follows :

Name of Directors	No. of Shares held
Chandra Prakash Agrawal	31,12,000
Prem Prakash Agrawal	33,333
Nitin M Kandoi	80,000
Rajesh Kumar Jain	–
Jyotirindra Nath Dey	–
Piyush Kankrania	–

Changes in Composition of the Board of Directors since Last Report

Mrs. Sangeeta Upadhyaya and Mr. Santosh Kumar Agrawal have been appointed as Directors. Mrs. Sangeeta Upadhyay meets the requirements of Independent Director. Except above there is no change in the composition of the Board of Directors of the Company since last Report. Mr. Nitin M Kandoi has been re-appointed as Whole-time Director of the Company designated as Director (Plant Operations). His re-appointment will be effective from 10.10.2014.

Information in respect of Directors seeking appointment / re-appointment as required under Clause 49 IV(G) of the Listing Agreement

Details of Mr. Jyotirindra Nath Dey are as under :

Name of the Director	Mr. Jyotirindra Nath Dey
Father's Name	Late Amar Nath Dey
Director Identification No. (DIN)	00180925
Date of Birth	05.06.1937
Date of Appointment	10.10.2009
Qualifications	Electrical Engineer
Experience	Mr. Jyotirindra Nath Dey is an Electrical Engineer having experience of over 44 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. Association of Consulting Engineer (I), Indian Society of Lighting Engineering, Arbitration any many more.
Directorship in other Companies	Gallantt Metal Limited Saheli Goods Private Limited Concrete Credit Limited Woodland Tradelink Private Limited Nilgiri Vanijya Private Limited Prestine Dealer Private Limited Primelink Dealer Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman : Nomination & Remuneration Committee Corporate Social Responsibility Committee Member : Audit Committee Stakeholders Relationship Committee
Membership/Chairmanship of Committees of the other public companies on which he is a Director	Gallantt Metal Limited Chairman: Nomination & Remuneration Committee Corporate Social Responsibility Committee Member: Audit Committee Stakeholders Relationship Committee

	Concrete Credit Limited Chairman : Remuneration Committee Member : Audit Committee Share Transfer & Investors Grievance Committee
No. of Shares held in the Company	Nil

Details of Mr. Rajesh Kumar Jain are as under :

Name of the Director	Mr. Rajesh Kumar Jain
Father's Name	Mr. Sushil Kumar Jain
Director Identification No. (DIN)	02113164
Date of Birth	10.01.1968
Date of Appointment	10.10.2009
Qualifications	B.Com(H), Chartered Accountant
Experience	Mr. Rajesh Kumar Jain, aged about 46 years, is finance professional with over 14 years of work experience. After graduating as Bachelor of Commerce from Gorakhpur University, Mr. Rajesh Kumar Jain qualified as a Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance, legal and corporate law matters.
Directorship in other Companies	Gallantt Metal Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman : Stakeholders Relationship Committee Member : Audit Committee Nomination & Remuneration Committee
Membership/Chairmanship of Committees of the other public companies on which he is a Director	Gallantt Metal Limited Chairman : Stakeholders Relationship Committee Member : Nomination & Remuneration Committee Audit Committee
No. of Shares held in the Company	Nil

Details of Mr. Piyush Kankrania are as under :

Name of the Director	Mr. Piyush Kankrania
Father's Name	Mr. Subhash Kumar Kankrania
Director Identification No. (DIN)	05241962
Date of Birth	20.12.1987
Date of Appointment	29.03.2012
Qualifications	B.Com(H), Chartered Accountant
Experience	Mr. Piyush Kankrania, aged about 27 years, is finance professional with over 5 years of work experience. After graduating as Bachelor of Commerce from Calcutta University, Mr. Kankrania qualified as a Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance and corporate law matters.

Directorship in other Companies	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman : Audit Committee Member : Nomination and Remuneration Committee Stakeholders Relationship Committee
Membership/Chairmanship of Committees of the other public companies on which he/she is a Director	NIL
No. of Shares held in the Company	NIL

Details of Mrs. Sangeeta Upadhyay are as under :

Name of the Director	Mrs. Sangeeta Upadhyay
Father's Name	Mr. Bishwanath Mishra
Director Identification No. (DIN)	06920195
Date of Birth	04.09.1969
Date of Appointment	10.07.2014
Qualifications	Bachelor of Arts (H)
Experience	Mrs. Sangeeta Upadhyay, aged about 45 years, has in-depth knowledge of agro industry with over 10 years of work experience. She possesses vast experience in the field of food processing and agro business.
Directorship in other Companies	NIL
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Membership/Chairmanship of Committees of the other public companies on which she is a Director	NIL
No. of Shares held in the Company	NIL

Details of Mr. Nitin M Kandoi are as under :

Name of the Director	Mr. Nitin M Kandoi
Father's Name	Late Mahavir Prasad
Director Identification No. (DIN)	01979952
Date of Birth	21.07.1972
Date of Re-appointment	10.07.2014 (reappointment effective from 10.10.2014)
Qualifications	B.Com (H)

Experience	Mr. Nitin M Kandoi, a promoter of the Company having experience of 19 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. Mr. Kandoi supervises the operation and functioning of steel and power plants, besides he supervises Purchase and procurement departments of the Company.
Directorship in other Companies	GALLANTT METAL LIMITED
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Membership/Chairmanship of Committees of the other public companies on which he/she is a Director	NIL
No. of Shares held in the Company	80000

Details of Mr. Santosh Kumar Agrawal are as under :

Name of the Director	Mr. Santosh Kumar Agrawal
Father's Name	Late Govind Prasad Agrawal
Director Identification No. (DIN)	01045228
Date of Birth	21.07.1951
Date of Appointment	10.07.2014
Qualifications	MSc. (H)
Experience	Mr. Santosh Kumar Agrawal holds a Master Degree in Chemistry from Gorakhpur University, Uttar Pradesh. Mr. Santosh Kumar Agrawal has started his career years back and having experience of 40 years in the Steel, and Agro Industries. Mr. Santosh Kumar Agrawal was closely associated with Govind Mills Limited (amalgamated with Gallantt Udyog Limited) and during his tenure of service, Govind Mills Limited achieved a high level of turnover and growth. He has served Gallantt Udyog Limited in the capacity of Managing Director. He was looking after operations of the agro manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited). During this period and under his Directorship, the Gallantt Udyog Limited has completed and achieved various targets and plans and the Company achieved higher levels of growth. Apart from the above, he has actively offered his consultancy in setting up of the operations of our Company and guided the project management team since inception.
Directorship in other Companies	Gorakhpur Texpark Private Limited
Chairman/Member of the Committee of the Board of Directors of the Company	NIL
Membership/Chairmanship of Committees of the other public companies on which he/she is a Director	NIL
No. of Shares held in the Company	25000

Code of Conduct

Code of Conduct for the Directors and Senior Management of the Company was adopted by the Board in its meeting. This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code forms an integral part of the Company's Governance Policy. The Code has been posted on the web site of the Company www.gallantt.com. Declaration of compliance of the Code of Conduct in terms of sub clause (ii) of clause 49(I)(D) of listing agreement is given hereunder:

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

In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 2013-14".

C. P. Agrawal
Chairman and Managing Director

Mayank Agrawal
CEO

2. COMMITTEES OF THE BOARD

Audit Committee

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

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

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with reasonable expertise, if considered necessary.

The minutes of each Audit Committee are placed and discussed at the next meeting of the Board. The Audit Committee role, powers, function etc. of the Audit Committee has been reconstituted in accordance with Section 177 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

A total of ten Audit Committee Meetings were held in the financial year 2013-14. The meetings were held on 01.04.2013, 25.05.2013, 12.06.2013, 20.07.2013, 12.08.2013, 04.10.2013, 15.10.2013, 29.10.2013, 25.11.2013 and 05.02.2014.

Mr. Piyush Kankrania, Chairman of the Audit Committee attended the last Annual General Meeting held on 19th September, 2013.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Piyush Kankrania	Chairman	Independent	10
Mr. Jyotirindra Nath Dey	Member	Independent	10
Mr. Rajesh Kumar Jain	Member	Independent	10

Nomination and Remuneration Committee (Formerly Remuneration Committee)

Nomination and Remuneration Committee has been reconstituted by the Board of Directors. In compliance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 of the Listing Agreement, Remuneration Committee were renamed "Nomination and Remuneration Committee" of the Board of Directors of the Company.

During the year ended 31st March, 2014, the Nomination and Remuneration Committee comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

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

A total of one Nomination and Remuneration Committee Meeting was held in the financial year 2013–14. The meeting were held on 12.08.2013.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	1
Mr. Piyush Kankrania	Member	Independent	1
Mr. Rajesh Kumar Jain	Member	Independent	1

Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2014 to Managing/Whole-time Directors are as follows :

Names	Designation	Aggregate Value of Salary & Perquisites (₹)
Mr. Chandra Prakash Agrawal	Managing Director	7,80,000
Mr. Prem Prakash Agrawal	Wholetime Director	7,80,000
Mr. Nitin M Kandoi	Whole-time Director	7,80,000

The Remuneration to the Executive Directors is determined by the Nomination and 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.

Stakeholders Relationship Committee

(Formerly Share Transfer & Shareholders/Investors Grievance Committee)

Stakeholders Relationship Committee has been reconstituted by the Board of Directors in compliance with Section 178 of the Companies Act, 2013 readwith the Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 of the Listing Agreement.

During the year ended 31st March, 2014, the Share Transfer & Shareholders/Investors Grievance Committee comprised of Mr. Rajesh Kumar Jain, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

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

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

During the year 2013-14, one meeting of the Share Transfer & Shareholders/Investors Grievance Committee were held on 15.10.2013.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Rajesh Kumar Jain	Chairman	Independent	1
Mr. Piyush Kankrania	Member	Independent	1
Mr. Jyotirindra Nath Dey	Member	Independent	1

During the year Company has not received complaints.

As required under Clause 47(c) of the listing agreements entered into by Gallantt Ispat with stock exchanges, a certificate is obtained every six months from a practising Company Secretary that all transfers have been completed within the stipulated time. The certificates are forwarded to BSE and NSE.

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

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

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

3. SUBSIDIARY COMPANY

Company has no subsidiary Company(s).

4. DISCLOSURE

a. Disclosures on materially significant related party transactions :

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, their subsidiaries or relatives, Directors or the Management, etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.

b. Details of non-compliance(s) by the Company :

The Company has complied with all the requirements of the Stock Exchange(s) and the Securities Exchange Board of India on matters related to Capital Markets or any other matter, as may be applicable from time to time. There were no penalties imposed or strictures passed against the Company by the statutory authorities in this regard.

c. Disclosure of Accounting Treatment :

The Company follows Accounting Standards and relevant provisions of the Companies Act, 1956. In preparation of financial statements, the Company has not adopted a treatment different from what is prescribed in the Accounting Standards.

d. Details of compliance with mandatory and non-mandatory requirements of Clause 49 of the Listing Agreement :

General Body Meetings

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

Year	Venue	Date	Time
2013	Rabindra Okakura Bhavan, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091	19.09.2013	11.30 A.M.
2012	Rabindra Okarura Bhavan, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091	25.09.2012	11.30 A.M.
2011	Bhartiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700 017.	28.09.2011	2.00 P.M.

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

AGM	AGM Date	Special Resolution passed through show of hands
2013	19.09.2013	<ol style="list-style-type: none"> 1. Reappointment of Mr. Chandra Prakash Agrawal as a Chairman and Managing Director 2. Reappointment of Mr. Prem Prakash Agrawal as a Whole-time Director 3. Appointment of Mrs. Uma Agrawal as a Senior Executive (Office Administration) of the Company 4. Appointment of Mrs. Shyama Agrawal as a Senior Executive (Personnel) of the Company 5. Appointment of Mrs. Shruti Kandoi as a Senior Executive (MIS) of the Company 6. Increase in Remuneration of Mr. Mayank Agrawal as a Senior Executive (Office Administration) of the Company 7. Appointment of Mrs. Pallavi Agrawal as a Senior Executive (Corporate Communication) of the Company
2012	25.09.2012	Alteration of Articles of Association for insertion of new Articles 106A & 191A
2011	28.09.2011	No Special Resolution was passed

Extraordinary General Meeting

An Extraordinary General Meeting of the members was held on November 05, 2011 and the following Special Resolutions were passed :

AGM	AGM Date	Special Resolution passed through show of hands
2011	05.11.2011	1. Preferential Issue of Zero Coupon Fully Convertible Unsecured Debentures.

Details of Resolutions passed through Postal Ballot

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

Court Convened Meeting of Shareholders

No Court Convened Meeting of Shareholders of the Company was held during the year under report.

Compliance Certificate

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

Means of Communication

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

Information like quarterly / half yearly / annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members. The quarterly / half-yearly / annual financial results are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at www.gallantt.com.

Shareholding Pattern, Corporate Governance Report, Reconciliation of share capital Audit Report, Notice of Board Meetings Financial Results etc. are also filed electronically on NEAPS and BSE Listing Centre. NEAPS stands for NSE Electronic Application Processing System. NEAPS is a web based application designed by NSE for Corporates. BSE Listing Centre has been introduced by BSE for online filing of information and documents with BSE.

Management Discussion & Analysis Report

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

Compliance Officer

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

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

General Shareholder Information

1. Date, Time and Venue of 10th AGM	Tuesday, 9th September, 2014 at 11.30 A.M. at Rabindra Okakura Bhavan, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata -700 091.
2. Financial Calender	1st April to 31st March
3. Dates of book closure	3rd September, 2014 to 9th September, 2014
4. Listing on stock exchanges	Bombay Stock Exchange Ltd. (BSE) National Stock Exchange of India Ltd. (NSE)
5. Listing fees for 2014-15	Paid for both the Stock Exchanges
6. Electronic Connectivity	National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL)
7. Registered Office	1, Crooked Lane, Second Floor, Kolkata - 700 069. Telefax : +91-33-40642189 Website : gallantt.com E-mail : nitesh@gallantt .com
8. Works Office	Plot No. AL-5, Sector - 23 Gorakhpur Industrial Development Authority (GIDA) Sahjanwa, Gorakhpur, U.P. Phone : +91-551-2700302 Fax : +91-551-2700320
9. Registrar and Share transfer agent	Share transfers in physical form and other communication regarding share Transfer, certificates, dividends, change of address, etc. may be addressed to : NICHE TECHNOLOGIES PVT. LTD. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 Phone Nos. : +91-33-22156823, Fax No. : +91-33-22156823 Contact Person: Mr. S. Abbas E-mail : nichetechpl@nichetechpl.com Web-site : www.nichetechpl.com
10. Dividend	A dividend of Re. 0.50 per equity share will be credited / dispatched on or after 14th September, 2014 subject to approval by the shareholders at the Annual General Meeting to be held on 9th September, 2014.

11. Stock Market Data

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2013-14.

Months	BSE		NSE	
	High Price	Low Price	High Price	Low Price
April	83.00	65.15	80.45	66.25
May	75.80	64.70	76.00	65.05
June	86.00	75.00	86.05	75.00
July	87.95	69.05	80.95	68.25
August	96.50	75.05	98.35	75.95
September	227.40	107.70	227.5	105.5
October	344.65	230.70	344.9	230.55
November	305.45	269.10	306.25	268.75
December	270.65	266.65	270.65	266.00
January	274.00	255.50	274.00	257.00
February	309.15	271.25	309.35	271.25
March	315.50	289.40	315.00	290.25

Share Transfer System

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

Dematerialisation of Shares and Liquidity

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 100.00% (approx) of Equity Shares have been dematerialized as on 31st March, 2014.

Stock Code

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

Distribution of Shareholding

The distribution of shareholding as on 31st March, 2014 was as follows :

Months	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	937	89.75	78,850	0.27
501-1,000	23	2.20	18,004	0.06
1,001-5,000	34	3.26	68,138	0.23
5,001-10,000	4	0.38	27,451	0.09
10,001-50,000	16	1.53	3,87,556	1.33
50,001-1,00,000	8	0.77	4,96,582	1.70
1,00,001 and Above	22	2.11	2,81,89,924	96.32
TOTAL	1044	100.00	2,92,66,505	100.00

Categories of shareholding as on 31st March, 2014

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING :		
Promoters	2,03,60,131	69.57
Total Promoters' Holding	2,03,60,131	69.57
PUBLIC SHAREHOLDING :		
Institutional Investors		
Financial Institution Investor	13,25,145	4.53
Others		
Bodies Corporate	42,42,850	14.50
Individuals	18,51,026	6.32
NRI/OCBs	13,10,511	4.48
Clearing Member/Clearing Corporation (Demat shares in transit)	1,76,842	0.60
Total Public Shareholding	89,06,374	30.43
GRAND TOTAL	2,92,66,505	100

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

Year	Percentage (%)	In Rupee per Equity Share	Dividend Amount (₹)
2010-11	5	₹ 0.50 (Paise Fifty only)	₹ 1,33,83,252.50
2011-12	5	₹ 0.50 (Paise Fifty only)	₹ 1,33,83,252.50
2012-13	5	₹ 0.50 (Paise Fifty only)	₹ 1,46,33,252.50

AMALGAMATION OF GALLANTT UDYOG LIMITED WITH THE COMPANY

Board of Directors has, at its meeting held on 12th August, 2013, approved the Scheme of Amalgamation of Gallantt Udyog Limited with the Company. Consequent upon the introduction of new Companies Act, 2013 Board of Directors had reviewed and re-approved the said Scheme of amalgamation on November 25, 2013. Company has complied with the formalities under Clause 24f of the Listing Agreement and filed the required documents along with the said Scheme with the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Securities and Exchange Board of India (SEBI). Securities and Exchange Board of India (SEBI) has, vide its letter bearing no. CFD/DIL/HB/MT/14086/2014 dated May 16, 2014, issued its letter of observation/comment to the Company. Bombay Stock Exchange Limited vide its letter bearing no. DCS/AMAL/BS/24(f)/050/2014-15 dated May 20, 2014 and National Stock Exchange of India Limited vide its letter bearing no. Ref: NSE/LIST/239345-W dated May 21, 2014 have also granted their No-Objection to the said amalgamation.

As per the Scheme of Amalgamation as approved by the Board of Directors of both the Companies and sanctioned and cleared by the Stock Exchanges and SEBI, shareholders of Transferor Company will get 5 Equity Shares in the Company for every 6 Equity Shares held in the Transferor Company (in the ratio of 5:6).

Green Initiative

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

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

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

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

Corporate Identity Number (CIN) : L27109WB2005PLC101650

Investor's Correspondence

For investor matters :

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

ADOPTION OF NON-MANDATORY REQUIREMENTS

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

On behalf of the Board

Place: Kolkata
Date: July 10, 2014

C. P. Agrawal
Chairman

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Gallantt Ispat Limited for the year ended 31st March, 2014, 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, 2014 as per the records maintained by the Registrar and Transfer Agent of the Company and presented to the Investors Grievance Committee.

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

For Anoop Agarwal & Co.
Chartered Accountants

H. C. Pant
Partner

Place: Kolkata
Date : 10.07. 2014

Membership No. 017694

CEO/CFO CERTIFICATION

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

Re : Financial Statements for the Financial year 2013-14 – Certificate by MD and Manager Accounts & Finance

We, Mayank Agrawal, CEO and Nitesh Kumar, Manager Accounts & Finance and Company Secretary, of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2014 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, 2014 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:
 - (i) there have been no significant changes in internal control over financial reporting during the period.
 - (ii) there have been no significant changes in accounting policies during the period.
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Kolkata
July 10, 2014

Nitesh Kumar
*Manager Accounts & Finance
and Company Secretary*

Mayank Agrawal
Chief Executive Officer

Management Discussion Analysis

Forming part of the Report of the Directors for the year ended 31st March, 2014)

BUSINESS ENVIRONMENT

Fiscal 2013-14 saw the Indian economy recording its second successive year of sub five percent growth the lowest it has recorded in a decade. The business environment is passing through a critical phase with GDP on a declining trend which in turn affects the overall growth of the economy especially the manufacturing industry. The global economy in FY 2013-14 made some slow improvements but not as was anticipated in the beginning of the year. The world economies experienced recession due to high unemployment, banking fragility, fiscal tightening and slow growth.

The industrial sector was plagued by multiple issues. Inflation eroded the margins. Interest rate hikes throttled consumer spending. The depreciation of the Indian rupee against the US dollar eroded corporate profitability. Inflation continues to be the primary macroeconomics concerns of the Indian economy.

The economic slowdown has affected most industries including the steel industries. The industrial production in the country is less compared to that of last year. Reduction in demand has led to increase in competition among industries.

INDUSTRY OVERVIEW

Steel Industry

In Calendar Year 2013, China continued to dominate the global steel industry with 46% of production and 102% of the incremental steel production. The Japanese economy, emerging out of two decades of stagnation, is on the path of production recovery. During the FY 2013-14 India has become second best in terms of growth amongst the top 10 steel producing countries in the world and a net exporter of steel. Indian steel sector grew to 73.9 million tonne during the FY 2013-14 with Flat Steel down by 2% while Longs displayed a growth of 2.6%. Impacted by inadequacy and inconsistent quality of iron ore, capacity utilization for Indian Steel declined from 81% in FY 2012-13 to 78% in FY 2013-14. Sluggish domestic demand with rising capacity and increased production resulted in growing thrust on import substitution, resulting in a sharp decline of imports by 34%. Expanding new-age Steel capacities and incorporating world-class technologies and rupee depreciation helped India to increase its steel exports by 13%. This exhibits growing global competitiveness of Indian steel industry; thus transforming India into a net steel exporter.

Agro Industry (Wheat Products)

Increase in urbanization, income level of population and other related factors has led to the steady growth of the food industry. Our company produces wheat products such as atta, suji, bran etc. which are sold in markets of Uttar Pradesh, Bihar, West Bengal etc.

In the Agro segment, Company is forecasting a superb growth on account of strategic market capturing in this segment through channel and network of dealers and distributors. Our wheat products, i.e, Atta, Maida, & Suji, are presently being packed in only above 50 Kg each under the brand name of "Gallantt". The brand name, "Gallantt" has been widely accepted with a huge demand even directly from the consumers due to its superior quality. We are enriching our product portfolio by adding small packing of 2, 5, 10 & 20 Kgs so as to cater the needs of direct consumers.

OPPORTUNITIES AND THREATS

Opportunities for our Steel Division

A decisive mandate in the General Elections has re-kindled hopes of an economic revival. The new government has promised to focus on infrastructure development while de-bottlenecking the administrative and clearance climate in the country. Demand for steel in India is expected to increase more in 2014 as compared to 2013. But this change will not be immediate and the centers of demand may vary. Nevertheless, the steel sector is expected to gradually gain momentum as the decade unfolds with optimism about what lies ahead.

OPPORTUNITIES FOR OUR AGRO DIVISION

As there is a gap between production and consumption in the agro sector, Gallantt Ispat has made efforts to bridge this gap by supplying the required quantity of wheat products manufactured. The company has also been successful in grabbing an increasing market share in domestic market.

1. OUR STRENGTHS

We believe that the factors which contribute to our strengths are our ability to adapt to the ever-changing environment, maintaining continuous growth, creating new market opportunities, efficient leadership qualities and maintaining good customer relationship.

2. OUR VISION AND STRATEGY

Our vision is to strengthen our position as one of the leading steel and agro products manufacturer in India. For achieving these goals we build partnerships with our clients, our suppliers and maximize shareholder value by market capitalization.

THREATS AND RISKS

Degrowth in coal production, crude oil, natural gas, petroleum refinery products and reduced electricity generation will severely affect the Steel Industry in future. If these economic conditions persist then Indian steel industries will have to face a tough situation. The year ahead appears to be challenging due to increase in competition, increasing interest rates, inflation, fluctuating markets and foreign exchange as well due to occurrence of natural calamities. The company has to overcome these issues by upgrading the current technologies used and serving to demands made by the customers. Rising fuel prices and shrinkage of the margins, Availability of finance at reasonable interest costs, Stiff competition owing to surplus capacities, volatile foreign exchange rates, Slowdown in the demand, etc. are major threats.

OUTLOOK

The year 2013-14 has proved to be encouraging for Indian Steel sector as a result of improved demand and prices. We have an adequate and efficient strategy planning process at Gallantt Ispat through which we evaluate annually the business objectives and the strategic themes of the company. The performance of the company is examined at regular intervals. During the year the company has taken steps to ensure that there has been sufficient increase in supply and distribution of products, technology enhancement, customer engagements etc. The management strongly believes that there will be considerable improvement in the external economic environment and consistency in consumer demand in the forthcoming financial year.

While the long term fundamentals of the Indian economy remain robust, the sluggish global environment has impacted sentiments in the domestic market in the short term. But it is expected to be only a temporary phenomenon and prospects for coming times look better than last year. The rate at which there is increase in urbanization, income and consumer demand in India, the demand for steel will increase at a constant pace.

INTERNAL CONTROL AND SYSTEMS

Your Company is committed to ensuring that its operations are carried out within a well defined internal control framework. Gallantt Ispat has an efficient and well-established internal control system based on the company's size and nature of its operations. Good governance, well defined systems and processes, a vigilant finance function and an independent internal audit function are the foundation of the internal control systems.

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating function. These has been designed to provide reasonable assurance with regard to maintaining proper accounting control, monitoring economy and efficiency of the Company, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information. The quarterly Internal Audit Reports are submitted to the Audit Committee and the Board of Directors.

STATUTORY COMPLIANCE

The Company Secretary acting as a compliance officer ensures that the company has adhered to the SEBI rules and regulations, provisions of the listing agreement with Stock Exchanges, Companies Act and other applicable laws and regulations.

CAUTIONARY STATEMENT

The purpose of this Annual Report is to provide information to the members of the company. The statements made in this report may contain certain forward looking statements regarding company's objectives, projections, estimates and expectations. As forward looking statements are statements relating to the future the actual results could differ materially from those expressed or implied. Nothing in this Annual Report should be construed as a profit forecast.

For and on behalf of the Board

Place : Kolkata
Date : July 10, 2014

C. P. Agrawal
Chairman

Independent Auditor's Report to the Shareholders

Report on the financial statements

We have audited the accompanying financial statements of GALLANTT ISPAT LIMITED ('The Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to Note no. 41 & 42 regarding recognition of freight subsidy of ₹ 3076.94 lacs which is subject to decision of honorable High Court and in case decision comes against the Co. the profit for the year will be reduced by ₹ 3076.94 lacs.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our 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 those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

Independent Auditors' Report

- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Registration No. 01739C)

H. C. Pant
Partner
Membership No. 17694

Place: Kolkata
Dated: 30.05.2014

Annexure to the Independent Auditor's Report to the Shareholders

(The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Gallantt Ispat Limited on the accounts of the company for the year ended 31st March, 2014)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, 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) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company had taken loan from other company covered in the register maintained under section 301 of the Companies Act, 1956. The number of such parties is two and the maximum amount involved during the year was ₹ 7046.58 Lacs and year end balance is ₹ 5400.00 Lacs.
- (c) The company is regular in repaying the principal amount and interest as stipulated and no amount is overdue.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. 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. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and 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.
9. 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.

Annexure to the Independent Auditor's Report to the Shareholders

- 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, 2014.
- c) Detail of dues of Value Added Tax which have not been deposited as on 31st March 2014 on account of disputes are given below :

Statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount involved (₹ in Lacs)
UP VAT ACT 2008	VAT	Government of Uttar Pradesh	August 2011 to March 2014	3911.00

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. 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.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has not made any allotment of debentures during the period under audit.
20. The Company has not raised any money by public issue during the year. However, During the year Company has, as per the terms of issue of Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs"), converted 25,00,000 FCDs into 25,00,000 fully paid-up Equity Shares of ₹ 10/- each.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Anoop Agarwal & Co.**
Chartered Accountants
(Firm Registration No. 01739C)

H. C. Pant
Partner

Place: Kolkata
Dated: 30.05.2014

Membership No. 17694

Balance Sheet as at 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A. EQUITY AND LIABILITIES			
1. Shareholder's Fund :			
Share Capital	2	2,926.65	2,676.65
Reserves & Surplus	3	17,741.51	16,415.85
Sub Total		20,668.16	19,092.50
2 Non Current Liabilities:			
Long Term Borrowings	4	2,124.00	5,309.50
Deferred Tax Liability	5	1,919.01	1,698.15
Other Long Term Borrowings	6	5,483.39	3,915.52
Sub Total		9,526.40	10,923.17
3 Current Liabilities:			
Short Term Borrowings	7	9,957.88	8,781.23
Trade Payables	8	168.95	255.84
Other Current Liabilities	9	6,023.25	5,073.13
Short Term Provisions	10	230.29	170.07
Sub Total		16,380.37	14,280.27
TOTAL		46,574.93	44,295.94
B. ASSETS			
1. Non Current Assets :			
Fixed Assets :			
Tangible Assets	11	25,771.35	27,304.91
Intangible Assets	12	2.79	3.97
Capital Work in Progress		43.98	34.89
Non Current Investments	13	51.45	51.45
Long Term Loans and Advances	14	1.77	24.14
Sub Total		25,871.34	27,419.36
2. Current Assets :			
Inventories	15	3,958.66	3,623.79
Trade Receivables	16	3,474.98	3,836.88
Cash and Cash Equivalents	17	569.66	253.40
Short Term Loans and Advances	18	12,674.88	9,109.24
Other Current Assets	19	25.41	53.27
Sub Total		20,703.59	16,876.58
TOTAL		46,574.93	44,295.94

Note forming part of Financial Statement**1 to 47**

As per our report of even date

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Registration No. 01739C

H. C. Pant

Partner

Membership No. 17694

Place : Kolkata

Dated : 30th May, 2014

C. P. Agrawal

Chairman & Managing Director

Nitin M. Kandoi

Whole time Director

P. P. Agrawal

Whole time Director

Nitesh Kumar

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in Lacs)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. REVENUE :			
Revenue from Operations	20	47,327.85	41,099.81
Other Income	21	53.63	2,259.41
Total (A)		47,381.48	43,359.22
B. EXPENSES :			
Changes in Inventories of Finished Goods	22	479.86	519.95
Cost of Materials Consumed	23	38,373.73	34,878.31
Employee Benefit Expenses	24	289.70	216.12
Financial Costs	25	1,541.16	2,093.97
Depreciation and Amortization Expenses	26	1,694.07	1,664.36
Other Expenses	27	3,256.28	2,419.84
Total (B)		45,634.80	41,792.55
Profit before Exceptional & Extraordinary Items and Tax (A)-(B)		1,746.68	1,566.67
Less : Exceptional & Extraordinary Items (Preliminary Exp. w/o)		27.86	27.86
Profit before Tax		1,718.82	1,538.81
Prior Period Items		0.02	(23.46)
Profit After Prior Period Exp but before Tax		1,718.84	1,515.35
Tax Expense :			
- Current Tax		360.28	307.88
- Less : Mat Credit		(360.28)	(307.88)
- Deferred Tax		220.85	342.54
Total Tax		220.85	342.54
Profit for the year		1,497.98	1,172.81
Earning per Share :			
Basic (₹)		5.18	4.38
Diluted (₹)		5.18	4.01

Note forming part of Financial Statement

1 to 47

As per our report of even date

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Registration No. 01739C

H. C. Pant

Partner

Membership No. 17694

Place : Kolkata

Dated : 30th May, 2014

C. P. Agrawal

Chairman & Managing Director

Nitin M. Kandoi

Whole time Director

P. P. Agrawal

Whole time Director

Nitesh Kumar

Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(₹ in Lacs)

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A Cash Flow from Operating Activities :		
Net Profit Before Tax	1,718.82	1,538.82
Add :		
- Depreciation	1,694.07	1,664.36
- Interest Paid	1,541.16	2,093.97
- Misc. Expenditure Written Off during the year	27.86	27.86
- Expenses relating to earlier years	0.02	(23.46)
	4,981.93	5,301.55
Less: Dividend Paid	171.19	155.54
Less: Income Tax Paid	300.00	300.00
Cash Flow from Operating Activities before Working Capital changes	4,510.72	4,846.01
Changes in Working Capital :		
- Change in Inventories	(334.87)	895.88
- Change in Trade receivables	361.90	(2,193.16)
- Change in Short Term Loans & Advances	(3,265.64)	(3,809.78)
- Change in Short Term Borrowings	1,176.65	4,111.92
- Change in Trade Payables	(86.89)	(621.70)
- Change in Other Current Liabilities	950.12	(204.56)
- Change in Short Term Provisions	59.09	-
Net Cash Flow from Operating Activities (A)	3,371.09	3,024.61
B Cash Flow from Investing Activities :		
Change in Tangible Assets	(159.33)	(2,264.20)
Change in Capital WIP	(9.09)	1,580.27
Net Cash Flow from Investing Activities (B)	(168.42)	(683.93)
C Cash Flow from Financing Activities :		
Interest Paid	(1,541.16)	(2,093.97)
Change in Share Capital	250.00	-
Change in Long Term Loans & Advances	22.37	22.79
Change in Long Term Borrowing	(3,185.50)	(3,129.00)
Change in Other Long Term Borrowing	1,567.87	2,961.57
Net Cash Flow from Financing Activities (C)	(2,886.42)	(2,238.61)
Net Cash Inflow / (Outflow)- (A to C)	316.26	102.07
Add : Opening Balance of Cash & Cash Equivalent	253.40	151.35
Closing Balance of Cash & Cash Equivalents	569.66	253.42
Cash & Cash Equivalent comprises of :		
(i) Cash in hand	258.70	167.50
(ii) Balance with Banks		
- Fixed deposits with Banks	189.10	49.77
- Balance with Banks	121.86	36.14
Total	569.66	253.41

As per our report of even date

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Registration No. 01739C

H. C. Pant

Partner

Membership No. 17694

Place : Kolkata

Dated : 30th May, 2014

C. P. Agrawal

Chairman & Managing Director

Nitin M. Kandoi

Whole time Director

P. P. Agrawal

Whole time Director

Nitesh Kumar

Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2014

1. Significant Accounting Policies

1) Disclosure of Accounting Policies (AS-1) :

a) Nature of Operation

Company is engaged in the business of manufacturing of iron & steel and agro products backed up by captive power plant through its factories located at Gallantt Estate, Sahjanwa, Sector-23, Gorakhpur Uttar Pradesh. Company procures its raw materials from various suppliers and coal used in the plants are purchased indigenously as well as imported from countries outside India. Manufactured goods are sold in domestic markets.

b) Accounting Concepts & Basis of Presentation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Company (Accounting Standards) Rules 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an on-going basis. Where changes are made in presentation, the comparative figures of the previous year are regrouped and rearranged accordingly.

c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2) Valuation of Inventories (AS-2) :

- a) Stock of Raw Materials, Stores and spare parts are valued at cost. Costs of Inventories are ascertained on FIFO basis.
- b) Stock of Finished goods and semi-finished goods are valued at cost or net realizable value whichever is lower.
- c) Waste and scraps are accounted at estimated realizable value.

3) Cash Flow Statement (AS – 3) :

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less.

4) Contingencies And Events Occurring After Balance Sheet Date (AS -4) :

Disclosure of contingencies as required by the accounting standard is furnished in the Notes on accounts.

5) Net Profit Or Loss For The Period, Prior Period Items And Changes In Accounting Policies (AS –5) :

Net Profit or loss for the period and prior period items are shown separately in the Profit & Loss Account.

6) Depreciation (AS – 6) :

- a) Depreciation on Fixed Assets is provided for on straight-line method in accordance with and generally at the rates specified in Schedule XIV to the Companies Act, 1956.
- b) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period of use of such assets. The provision for depreciation for multiple shifts has been made in respect of eligible assets on the basis of operation of respective units. In respect of continuous process plant, depreciation has been provided as per rates prescribed in Schedule XIV of the Companies Act, 1956. Amortization is provided on the Straight Line Method @ 16.21%.

Notes to the Financial Statements for the year ended 31st March, 2014

7) Revenue Recognition (AS -9) :

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Sale of Goods : Sales are recognized and accounted for when they invoiced to customers and are net of excise duty, Commercial Tax (UP VAT) on dispatch of products to customers. Net Sales are shown after deducting Excise Duty which is disclosed at appropriate Places.
- b) Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- c) Dividends : Dividend from investment is recognized when the Company in which they are held declares the dividend and when the right to receive the same is established.
- d) Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

8) Accounting For Fixed Assets (AS – 10) :

- a) Fixed Assets are stated at their original cost of acquisition/installation less accumulated depreciation and net off subsidies, duties and taxes. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- b) Capital work in progress: All expenses incurred for acquiring, erecting and commissioning of the fixed assets including interest on loan utilized for meeting capital expenditure are shown under capital work in progress.

9) Accounting For The Effects In Foreign Exchange Rates (AS – 11) :

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.
- b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

10) Accounting For Investments (AS – 13) :

Investments, being long term in nature, are valued at cost of acquisition. Adjustment for increase/decrease in the value of investments, if any, will be accounted for on realisation of the investments.

11) Employee Benefits (AS – 15) :

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) 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 Profit & Loss Account. Provision for gratuity is made on the basis of actuarial valuation at the year end in conformity with the Accounting Standard -15.

12) Borrowing Costs (AS – 16) :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged as expense in the year in which these are incurred.

13) Segment Reporting (AS – 17) :

a) Identification of Segments :

Primary Segment

Business Segment :

The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The identified segments are Manufacturing & Sale of (a) Iron & Steel and allied products; (b) Agro Products like Atta, Suji, Maida, Bran etc., and (c) Power.

Notes to the Financial Statements for the year ended 31st March, 2014

Secondary Segment

Geographical Segment :

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows :

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

b) Allocation of Common costs :

Common allocable costs are allocated to each segment according to the ratio of their respective turnover to the total turnover.

c) Unallocated items :

The Unallocated Segment includes general corporate income and expense items, which are not allocated to any business segment.

14) Related Party Disclosures (AS – 18) :

Disclosure of related parties as required by the accounting standard is furnished in the Notes on accounts.

15) Earnings Per Share (AS – 20) :

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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

16) Accounting For Taxes On Income (AS – 22) :

Provision for current income tax is determined on the basis of the amount of tax payable on taxable Income for the year.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

17) Interim Financial Reporting (AS – 25) :

The quarterly financial results are published in accordance with the requirements of listing agreements with stock exchanges.

18) Intangible Assets (AS – 26) :

- a) Internally generated intangible asset under development stage is recognized when it is demonstrated that it is technically feasible to use the same and the cost incurred for developing the same is ascertained. Technical Know-how so developed internally is amortized on a straight- line basis over its estimated useful life.
- b) Intangible assets acquired by payment e.g., Trade marks, Goodwill and Technical Know-how are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

19) Excise Duty, Commercial Tax (Up Vat & CST) & Custom Duty :

- a) The CENVAT credit available on purchase of raw materials and other eligible inputs is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "Short Term Loans and Advances".
- b) The Company is eligible for automatic conversion of UP VAT & CST Liability for a period of 15 years into interest free loan from State Government of Uttar Pradesh, which shall be repayable after 15 years.

Notes to the Financial Statements for the year ended 31st March, 2014

20) Consumption Of Raw Materials, Stores & Spare Parts Etc.:

Raw Materials, Stores and spare parts etc., consumed are exclusive of (a) Excise Duty on inputs under Cenvat Scheme, (b) Service tax input credits, (c) Insurance Claims received (d) Entry Tax under Uttar Pradesh Local Sales Tax Act and (f) VAT Input Credit under State laws, wherever applicable.

21) Service Tax & Cess :

Various expenses are accounted for after deducting the input tax credit available in respect of Service Tax, Education Cess and Secondary & Higher Education Cess.

22) Preliminary Expenses :

Preliminary expenses are amortized over a period of 5 years.

23) 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 Profit and Loss Account 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.

24) Prior Period Items :

Prior period items, if any, are included in respective heads of accounts and material items are disclosed by way of notes on accounts.

25) Taxation :

- a) Tax expenses comprise of income tax, corporate dividend tax, deferred tax including applicable surcharge and cess.
- b) Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- c) Provision for deferred tax or credit for release thereof is accounted for as ascertained in accordance with principles stated hereinabove.
- d) Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the period.

26) Contingent Liabilities (AS – 29) :

Contingent Liabilities are determined on the basis of available information and which are not provided for is disclosed by way of notes to the Accounts.

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

2 SHARE CAPITAL

	As at	
	31.03.2014	31.03.2013
Authorized Share Capital		
3,00,00,000 Equity Shares of Rs. 10/- each	3,000.00	3,000.00
(Previous year 3,00,00,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed and Paip-up Share Capital		
2,92,66,505 Equity Shares of Rs.10/- each fully paid up	2,926.65	2,676.65
(Previous year 2,67,66,505 Equity Shares of Rs. 10/- each fully paid up)		

2.1 Details of shareholders holding more than 5% shares

Name of Shareholders	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Metal Limited	5,501,992	18.80	5,501,992	20.56
Gallantt Udyog Limited	10,245,592	35.01	8,545,592	31.93
Chandra Prakash Agrawal	3,112,000	10.63	3,112,000	11.63
AAR Commercial Co. Ltd.	2,752,281	9.40	1,770,457	6.614

2.2 The Reconciliation of the shares outstanding is set out below:

	As at 31.03.2014	As at 31.03.2013
Equity Shares at the beginning of the year (No.)	26,766,505	26,766,505
Add: Conversion of 0 % Debentures into Equity Shares of Rs. 10 each	2,500,000	-
Equity Shares at the end of the year (No.)	29,266,505	26,766,505

2.3 Disclosure regarding the Shares Issued for consideration other than cash

The Company, during the past years, undertook various Schemes including Merger of General Investment Division of Gallantt Udyog Limited and Merger of Companies with the Company. Further, the Company has concluded Bonus Issue of Equity Shares. Pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by the Honourable Calcutta High Court, the Company has recorded all necessary accounting effects, along with requisite disclosure in the notes to accounts. Further, during the financial year the company has allotted Equity Shares on account of conversion of Convertible Debentures into Equity Shares. The cumulative effects of these adjustments due to issue of Equity Shares for consideration other than cash has been disclosed hereunder.

Particulars	No. of Shares	Date of Order of H'ble Kolkata
(a) Allotment of Bonus Shares	2,223,665	N.A.
(b) Pursuant to Demerger of General Investment Division of Gallantt Udyog Limited into the Company	16,349,632	June 18, 2008
(c) Pursuant to the Scheme of Amalgamation and Arrangement	450,000	March 12, 2009
Total	19,023,297	

2.4 Terms Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- share. Each holders of equity shares are entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

2.5 Shares reserved for Issue under option

On December 01, 2011 Company has allotted 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs") to the Promoter and Non-Promoters at a subscription price of ₹ 160/- each being a price higher than the price determined as per Regulation 76(1) of Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. As per the terms of issue, the Debentures have been converted into Equity Shares of ₹ 10 each on 25.05.2013.

3 RESERVES AND SURPLUS

	As at	
	31.03.2014	31.03.2013
Securities Premium Account		
Balance at beginning of the year	11,666.42	11,666.42
Balance at the end of the year	11,666.42	11,666.42
Amalgamation Reserve		
Balance at beginning of the year	8.92	8.92
Balance at the end of the year	8.92	8.92
General Reserve		
Balance at beginning of the year	3,606.51	3,606.51
Balance at the end of the year	3,606.51	3,606.51
Surplus in the statement of Profit and Loss		
Balance at beginning of the year	1,134.01	131.26
Add: Profit for the year	1,497.98	1,172.82
Less:		
Proposed dividend (Refer Note No. 46)	146.33	146.33
Corporate Dividend Tax	24.87	23.74
Corporate Dividend Tax (P.Y. Short Provided)	1.13	-
Balance at the end of the year	2,459.66	1,134.01
Total	17,741.51	16,415.85

4 LONG TERM BORROWINGS

	As at 31.03.2014		As at 31.03.2013	
	Non-current	Current	Non-current	Current
Secured				
Term Loans- From Banks	2,124.00	3,185.50	5,309.50	3,390.00
Total	2,124.00	3,185.50	5,309.50	3,390.00

- Term loan secured by First pari pasu charge over all the borrower's fixed assets (present & future), Second pari pasu charge over all the borrower's current assets including Debtors and stock etc. and personal Guarantee of Mr. C.P. Agrawal, Mr. P.P. Agrawal and Mr. Nitin M. Kandoi.
- Term loan includes Corporate Loan of ₹ 0.64 crores in Non Current & ₹ 11.18 crores in Current Liabilities.
- Current Portion of Term Loans have been grouped as "Current maturities of long term debt" in Note No. 9.
- Terms of repayment for secured borrowings are as under:
 - Term Loan from State Bank of India amounting to ₹ 70 crores sanctioned on 20.06.2008 repayable in 24 quarterly instalments of ₹ 2.92 crores each commencing from F.Y.2010-11, out of which 16 installments amounting to ₹ 46.72 crores has been paid upto 31.03.2014.

(₹ in Lacs)

Notes to the Financial Statements for the year ended 31st March, 2014

- ii) Term Loan from State Bank of Patiala amounting to ₹ 30 Crores sanctioned on 23.09.2008 repayable in 24 quarterly installments of ₹ 1.25 crores each commencing from F.Y.2010-11 out of which 16 installments amounting to ₹ 20 crores has been paid upto 31.03.2014.
- iii) Term Loan from State Bank of Mysore amounting to ₹ 24 Crores sanctioned on 11.10.2008 repayable in 24 quarterly installments of ₹ 1.00 crores each commencing from F.Y. 2010-11 out of which 16 installments amounting to ₹ 16.00 crores has been paid upto 31.03.2014.
- iv) Corporate Loan from State Bank of India amounting to ₹ 18 Crores sanctioned on 01.12.2011 repayable in 12 quarterly installments. First 5 of ₹ 85 lakh and remaining 7 of ₹ 1.96 crore each commencing from 01.01.2012 out of which 9 installments amounting to ₹ 12.09 crores has been paid upto 31.03.2014.
- v) Corporate Loan from State Bank of Patiala amounting to ₹ 8 Crores sanctioned on 01.12.2011 repayable in 12 quarterly installments. First 5 of ₹ 37.50 lakh and remaining 7 of ₹ 87.50 lakh each commencing from 01.01.2012 out of which 9 installments amounting to ₹ 5.375 Crores has been paid upto 31.03.2014.
- vi) Corporate Loan from State Bank of Mysore amounting to ₹ 6 Crores sanctioned on 11.06.2011 repayable in 12 quarterly installments. First 5 of ₹ 28.00 lakh and remaining 7 of ₹ 66.00 lakh each commencing from 01.07.2012 out of which 7 installments amounting to ₹ 2.72 Crores has been paid upto 31.03.2014.
- vii As on May 23, 2014 Company has repaid in full the outstanding Term Loan & Corporate Loan from State Bank of Mysore along with interest. As on date of signing of Annual Statements, outstanding loan of State Bank of Mysore is nil.

5 DEFERRED TAX LIABILITY

	As at	
	31.03.2014	31.03.2013
Opening Balance	1,698.15	1,355.61
Add: On account of Timing difference in Depreciation	220.86	342.54
Total	1,919.01	1,698.15

6 OTHER LONG TERM BORROWINGS

	As at	
	31.03.2014	31.03.2013
Interest free Loan in Lieu of VAT & CST (Refer Note No. 39)	5,483.39	3,915.52
Total	5,483.39	3,915.52

7 SHORT TERM BORROWINGS

	As at	
	31.03.2014	31.03.2013
Secured		
Cash Credit From Bank	4,557.88	4,767.64
Unsecured		
Unsecured Loan from Group Company	5,400.00	3,763.59
0% Fully Convertible Debentures	-	250.00
Total	9,957.88	8,781.23

(₹ in Lacs)

Notes to the Financial Statements for the year ended 31st March, 2014

- 1) Cash credit is secured by Hypothecation of entire current assets of the company (present & future) consisting of Raw Material, SIP, Finished goods, Store & Spares and Book Debts, Extension of first pari pasu charge over all the borrower's fixed assets (present & future) and personal Guarantee of Mr. C.P. Agrawal, Mr. P.P. Agrawal and Mr. Nitin M. Kandoi.
- 2) No provision for interest on unsecured loan outstanding on 31.03.2014 amounting to ₹ 54 Crore taken from Gallantt Udyog Ltd. has been made as merger proceedings are under process.
- 3) During the financial year 2013-14, the company has allotted 25,00,000 Equity Shares of ₹ 10 each on account of conversion of 0% Fully Convertible Unsecured Debentures of ₹ 10 each into Equity Shares in the ratio of 1:1 on 25th May, 2013.

8 TRADE PAYABLES

	As at	
	31.03.2014	31.03.2013
Trade Payables	168.95	255.84
Total	168.95	255.84

9 OTHER CURRENT LIABILITIES

	As at	
	31.03.2014	31.03.2013
Current maturities of Long Term debt (Refer Note No. 4)	3,185.50	3,390.00
Interest on Long Term borrowings	59.57	93.85
Other Payables	256.37	392.95
Advance From Customer	1,406.38	1,196.33
Excess Cheque Issued	1,115.43	-
Total	6,023.25	5,073.13

10 SHORT TERM PROVISIONS

	As at	
	31.03.2014	31.03.2013
Proposed Dividend	146.33	146.33
Corporate Dividend Tax	24.87	23.74
Provision for Income Tax (Net of Advance Tax and TDS)	59.09	-
Total	230.29	170.07

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

11 TANGIBLE FIXED ASSETS

Particulars	Gross Block					Depreciation/Amortisations			Net Block	
	Balance as on 01.04.2013	Additions during the year	Total	Adjustment of Subsidy etc.	Total as on 31.03.2014	As on 01.04.2013	During the year	Total as on 31.03.2014	WDV as at 31.03.2014	WDV as at 31.03.2013
Land	1,849.90	–	1,849.90	300.24	1,549.66	–	–	–	1,549.66	1,549.66
Computer	41.76	6.14	47.90	4.40	43.51	19.00	6.70	25.70	17.81	18.37
Motor Car	185.94	51.34	237.29	19.90	217.39	55.88	16.67	72.56	144.83	110.16
Two Wheeler	3.02	0.44	3.46	0.56	2.90	1.30	0.25	1.56	1.34	1.16
Vehicle Commercial	93.77	–	93.77	17.32	76.45	51.56	8.65	60.21	16.24	24.89
Office Equipment	33.26	–	33.26	3.19	30.07	3.90	1.43	5.33	24.74	26.17
Furniture & Fixture	22.91	–	22.91	0.94	21.97	3.21	1.39	4.61	17.36	18.76
Electrical Installation	737.93	21.21	759.13	160.45	598.68	164.14	42.07	206.21	392.47	413.33
Factory Building (Common)	255.55	0.00	255.55	47.21	208.34	28.00	6.96	34.96	173.37	180.33
Misc Assets	392.26	20.09	412.34	68.62	343.73	50.54	15.95	66.49	277.24	273.10
Non Factory Building	771.12	–	771.12	115.66	655.46	37.85	10.68	48.53	606.93	617.61
Factory Building (Flour Mill)	917.54	–	917.54	140.68	776.87	100.24	25.95	126.19	650.68	676.62
Plant & Machinery (Flour Mill)	1,234.62	–	1,234.62	202.60	1,032.02	309.64	106.71	416.35	615.67	722.38
Plant & Machinery (Rolling Mill)	4,118.59	2.27	4,120.86	765.94	3,354.92	655.27	288.50	943.78	2,411.14	2,697.37
Plant & Machinery (SMS)	2,844.18	52.46	2,896.65	778.76	2,117.89	611.00	214.43	825.43	1,292.45	1,454.42
Plant & Machinery (Sponge Iron)	6,019.13	5.38	6,024.51	96.19	5,928.32	747.89	312.92	1,060.81	4,867.51	5,175.06
Factory Building (Rolling Mill)	1,627.37	–	1,627.37	178.79	1,448.57	147.63	48.38	196.01	1,252.56	1,300.95
Factory Building (SMS)	1,463.53	–	1,463.53	264.21	1,199.32	159.41	40.06	199.47	999.86	1,039.91
Factory Building (Sponge Iron)	1,809.75	–	1,809.75	–	1,809.75	135.76	60.45	196.21	1,613.54	1,673.99
Office Building	255.80	–	255.80	–	255.80	4.22	4.17	8.39	247.40	251.57
Railway Siding	900.91	–	900.91	–	900.91	63.96	42.79	106.75	794.16	836.96
Total (i)	25,578.86	159.33	25,738.18	3,165.66	22,572.52	3,350.42	1,255.12	4,605.54	17,966.98	19,062.77

POWER PLANT

Particulars	Gross Block					Depreciation/Amortisations			Net Block	
	Balance as on 01.04.2013	Additions during the year	Total	Adjustment of Subsidy etc.	Total as on 31.03.2014	As on 01.04.2013	During the year	Total as on 31.03.2014	WDV as at 31.03.2014	WDV as at 31.03.2013
Factory Building (Power Plant)	1,774.75	–	1,774.75	–	1,774.75	97.12	59.28	156.39	1,618.35	1,677.63
Plant & Machinery (Power Plant)	7,864.14	–	7,864.14	695.59	7,168.55	604.04	378.50	982.54	6,186.01	6,564.51
Total (ii)	9,638.89	–	9,638.89	695.59	8,943.30	701.16	437.78	1,138.94	7,804.36	8,242.14
TOTAL (i+ii)	35,217.75	159.33	35,377.08	3,861.25	31,515.82	4,051.59	1,692.89	5,744.48	25,771.35	27,304.91

12 INTANGIBLE ASSETS

Particulars	Gross Block					Depreciation/Amortisations			Net Block	
	Balance as on 01.04.2013	Additions during the year	Total	Adjustment of Subsidy etc.	Total as on 31.03.2014	As on 01.04.2013	During the year	Total as on 31.03.2014	WDV as at 31.03.2014	WDV as at 31.03.2013
Computer Software	8.29	–	8.29	1.01	7.28	3.31	1.18	4.49	2.79	3.97
Total	8.29	–	8.29	1.01	7.28	3.31	1.18	4.49	2.79	3.97
GRAND TOTAL (Note 12 & 13)	35,226.04	159.33	35,385.37	3,862.26	31,523.11	4,054.90	1,694.07	5,748.97	25,774.14	27,308.88

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

13 NON CURRENT INVESTMENTS

	As at	
	31.03.2014	31.03.2013
Trade Investments	-	-
Non Trade Investments		
a) Gallantt Metal Limited (At cost)- Quoted	40.45	40.45
19,82,589 (P.Y. 19,82,589) Equity share of ₹ 10/- each		
(Market Value as on 31.03.2014 is ₹ 3,72,72,673)		
b) Gorakhpur Taxpark Pvt. Ltd (Un Quoted)	11.00	11.00
1,10,000 (P.Y. 1,10,000) Equity share of ₹ 10/- each		
Total	51.45	51.45

14 LONG TERM LOANS AND ADVANCES

	As at	
	31.03.2014	31.03.2013
(Unsecured and considered good)		
Capital Advances	0.50	22.87
Security deposits	1.27	1.27
Total	1.77	24.14

15 INVENTORIES

	As at	
	31.03.2014	31.03.2013
(At lower of cost or net realisable value)		
Raw materials	2,205.28	1,743.96
Finished goods	937.35	1,417.22
Consumables stores and spares	816.03	462.61
Total	3,958.66	3,623.79

16 TRADE RECEIVABLES

	As at	
	31.03.2014	31.03.2013
(Unsecured and considered good)		
Outstanding for a period exceeding six months	1,114.28	86.70
Outstanding for a period within six months	2,360.70	3,750.18
Total	3,474.98	3,836.88

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

17 CASH AND CASH EQUIVALENTS

	As at	
	31.03.2014	31.03.2013
Balance with Banks	121.86	36.14
Cash in hand	258.70	167.50
Fixed deposits with Banks	189.10	49.76
Total	569.66	253.40

18 SHORT TERMS LOANS AND ADVANCES

	As at	
	31.03.2014	31.03.2013
(Unsecured and considered good)		
Advances to employees	-	2.36
Prepaid expenses	21.81	29.96
Interest accrued on fixed deposit	5.05	5.27
Mat Credit Entitlement	1,026.81	666.53
Advance Tax and TDS (Net of Provision)	-	24.28
Balance with government authorities:		
- Excise	156.99	14.89
- VAT	78.24	31.10
- Pradeshhiya Industrial & Investment Corporation of U.P. Ltd (PICUP)	10,363.92	7,286.98
(Refer Note No. 39 & 41)		
Others	1,022.06	1,047.87
Total	12,674.88	9,109.24

18.1 MAT CREDIT ENTITLEMENT

	As at	
	31.03.2014	31.03.2013
Opening Balance	666.53	358.65
Add: Addition during the year	360.28	307.88
Total	1,026.81	666.53

19 OTHER CURRENT ASSETS

	As at	
	31.03.2014	31.03.2013
Preliminary Expenses (to the extent not written off)	0.40	3.25
Public Issue Expenses (to the extent not written off)	25.01	50.02
Total	25.41	53.27

19.1 Preliminary Expenses & Public Issue Expenses include balances remaining outstanding after amortising these @20%.

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

20 REVENUE FROM OPERATIONS

	Year ended	
	31.03.2014	31.03.2013
Sale of Products	50,760.00	44,620.73
Less: Excise Duty	3,432.15	3,520.92
Total	47,327.85	41,099.81

20.1 PARTICULARS OF SALE OF PRODUCTS NET OF EXCISE DUTY

	Year ended	
	31.03.2014	31.03.2013
Maida	11,889.93	6,893.59
Suji	2,707.38	1,714.77
Atta	1,042.79	459.80
Bran	3,333.44	2,025.39
Daliya	23.75	8.51
Sponge Iron	1,358.41	3,007.52
Billets	470.39	1,000.40
M.S Bar	25,898.83	24,221.14
M.S.Angle	-	160.11
M.S.Channel	-	6.55
Miss rolled Bar	40.80	82.50
Others	742.73	1,659.38
Revenue	47,508.45	41,239.66
Less : Cash Discount	146.26	115.32
Claims on sales	21.38	10.58
Sales Return	12.97	13.95
Total	47,327.85	41,099.81

21 OTHER INCOMES

	Year ended	
	31.03.2014	31.03.2013
Income from Relinquishing of Rights on Land	-	2,250.00
Interest income	13.34	5.65
Miscellaneous Income	40.29	3.76
Total	53.63	2,259.41

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

22 CHANGES IN INVENTORIES OF FINISHED GOODS

	Year ended	
	31.03.2014	31.03.2013
Inventories at the beginning of the year:		
Finished Goods	1,417.22	1,937.17
Total	1,417.22	1,937.17
Inventories at the end of the year:		
Finished Goods	937.36	1,417.22
Total	937.36	1,417.22
Net Decrease/(Increase)	479.86	519.95

23 COST OF MATERIALS CONSUMED

	Year ended	
	31.03.2014	31.03.2013
Opening Stock	1,743.96	2,470.48
Add: Purchases	36,258.91	32,025.36
Expenses on Raw Material	482.66	367.32
Freight on Iron Ore	49.87	28.64
Freight on Coal	1,856.34	1,561.11
Freight on other Raw Material	9.28	31.73
Freight on Wheat	177.98	137.63
Total	40,579.00	36,622.27
Less: Closing Stock	2,205.27	1,743.96
MATERIALS CONSUMED	38,373.73	34,878.31

23.1 PARTICULARS OF MATERIAL CONSUMED

	Year ended	
	31.03.2014	31.03.2013
Wheat	15,501.58	8,516.41
Iron Ore	5,405.36	12,508.80
Pellets	5,524.43	1,431.62
Coal	9,662.24	9,924.26
Dolomite	85.09	69.32
Refractories	163.39	191.73
Sponge	60.69	-
Scrap	224.29	242.33
Others	1,746.66	1,993.83
Total	38,373.73	34,878.30

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

23.2 COST OF MATERIALS CONSUMED

	2013-14		2012-13	
	₹ in Lacs	% of Total	₹ in Lacs	% of Total
Imported	3,681.11	9.59	3,651.79	10.47
Indigenous	34,692.62	90.41	31,226.52	89.53

24 EMPLOYEE BENEFIT EXPENSES

	Year ended	
	31.03.2014	31.03.2013
Salary, Wages and Bonus	272.54	195.94
Contribution to Provident and other Fund	16.16	20.01
Staff Welfare expenses	1.00	0.17
Total	289.70	216.12

25 FINANCIAL COST

	Year ended	
	31.03.2014	31.03.2013
Interest Expenses	1,504.24	2,072.88
Other Borrowing Cost	36.92	21.09
Total	1,541.16	2,093.97

26 DEPRECIATION AND AMORTIZATION EXPENSES

	Year ended	
	31.03.2014	31.03.2013
Depreciation on Tangible Assets	1,692.89	1,663.17
Amortization of Intangible Assets	1.18	1.19
Total	1,694.07	1,664.36

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

27 OTHER EXPENSES

	Year ended	
	31.03.2014	31.03.2013
Manufacturing Expenses:		
Consumption of stores and spare parts	897.84	322.06
Repairs to Plant & Machinery	212.89	163.32
Repairs to others	39.72	38.73
Handling Expenses	181.36	214.55
Power & Fuel	1,290.21	1,251.57
Packing Material Consumed	179.69	166.25
Selling & Administration Expenses:		
Audit Fees	3.78	3.27
Selling & Distribution Exp.	66.65	106.05
Rates, Taxes & Fees	28.55	17.60
Insurance Exp.	44.58	48.06
Rent	11.77	11.89
Misc. Exp.	2.64	5.62
Office Exp.	5.07	0.21
Postage Exp.	2.36	1.80
Power & Fuel (Office)	5.43	2.40
Printing & Stationary	0.75	0.57
Telephone Exp.	11.29	10.85
Travelling & Conveyance Exp.	6.56	33.09
Director Remuneration	23.40	21.60
Foreign Currency Conversion Loss	241.72	0.20
Rounding Off	0.02	0.15
Total	3,256.28	2,419.84

28 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED

	2013-14		2012-13	
	₹ in Lacs	% of Total	₹ in Lacs	% of Total
Imported	9.94	0.92	7.32	1.50
Indigenous	1,067.59	99.08	481.00	98.50
Total	1,077.53	100.00	488.32	100

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

29 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

	Year ended	
	31.03.2014	31.03.2013
Raw Material	3,681.11	3,651.79
Stores, Chemical and packing Material	9.94	7.32
Capital Goods	23.55	-
Total	3,714.60	3,659.11

30 EARNING PER SHARE

	Year ended	
	31.03.2014	31.03.2013
i) Net Profit After Tax as per statement of Profit And Loss attributable to Equity Shareholder (₹)	149,798,391	117,281,677
ii) Weighted Average number of equity share used as denominator for calculating Basic EPS	28,896,642	26,766,505
iii) Weighted Average number of equity share used as denominator for calculating Diluted EPS	28,896,642	29,266,505
iv) Basic Earning per Share (₹)	5.18	4.38
v) Diluted Earning per Share (₹)	5.18	4.01
vi) Face Value Per Share (₹)	10.00	10.00

31 RELATED PARTY DISCLOSURE AS PER AS - 18 (AS IDENTIFIED BY THE MANAGEMENT)**Name of Related Party and Description of Relationship :**

I. Associate Company & Firm	Gallantt Udyog Ltd. Gallantt Metal Ltd Chandra Prakash Agrawal & Sons (HUF) Prem Prakash Agrawal HUF Jai Laxmi Solvents Pvt. Ltd. Varuna Spinning Mills Pvt. Ltd.
II. Key Managerial Personnel	Mr. Chandra Prakash Agrawal Mr. Prem Prakash Agrawal Mr. Nitin M Kandoi
III. Relatives of Key Managerial Personnel	Mr. Mayank Agrawal Mr. Ashutosh Agrawal Mrs. Shyama Agrawal Mrs. Shruti Kandoi Mrs. Pallavi Agrawal Mrs. Uma Agrawal

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

Related Party Transaction :				
Nature of Transaction	Associate Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Directors Remuneration		23.40	36.00	59.40
		(21.60)	(10.80)	(32.40)
Interest paid	44.53			44.53
	(125.87)			(125.87)
Loan Taken	7,269.67			7,269.67
	(10,765.70)			(10,765.70)
Loan Repaid	6,411.28			6,411.28
	(7,014.80)			(7,014.80)
Loan Given	1,150.00			1,150.00
				-
Loan Receive Back	1,150.00			1,150.00
				-
Purchase	844.33			844.33
	(0.04)			(0.04)
Sale	140.44			140.44
	-			-

The Amount Shown in Bracket () Denotes Previous year figure

32 EMPLOYEE BENEFITS DISCLOSURE AS PER AS-15		
	Year ended	
	2013-14	2012-13
Defined Contribution Plans		
Contribution to Defined Contribution Plans, recognized as expense for the year is as under:		
Employer' contribution to Provident Fund	8.53	6.25
Employer' contribution to ESIC	7.63	4.55
Defined Benefit Plans		
The Employee' gratuity fund scheme managed by a Life Insurance Corporation of India is a defined benefit Plan.		

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

Disclosures pursuant to Accounting Standard-15 "Employment Benefit":

Particulars	2013-14	2012-13
a) Component of Employer Expenses		
(i) Current Service Cost	8.58	9.95
(ii) Interest Cost	2.47	1.16
(iii) Expected return on Assets	3.24	2.00
(iv) Actuarial (Gain / Losses)	(7.41)	(1.03)
(v) Total Expenses	6.88	12.07
b) Net Assets (Liability) recognized in Balance Sheet		
(i) Present Value of defined benefit obligation	31.06	23.66
(ii) Fair Value of Plant Assets	39.67	32.43
(iii) Fund Status (Surplus/ Deficit)	8.61	8.76
(iv) Net Assets / (Liability)	8.61	8.76
c) Change in obligation during the year		
(i) Present value of defined benefit obligation at the beginning of the year	23.66	15.34
(ii) Current Service Cost	8.58	9.95
(iii) Interest Cost	2.47	1.16
(iv) Actuarial (Gain / Losses)	(7.41)	(1.03)
(v) Benefit Payment	0.13	1.75
(vi) Present value of defined Benefit obligation at the end of the year	31.06	23.66
d) Change in Assets		
(i) Plan Assets at the beginning of the year	32.43	22.21
(ii) Expected return on Plant Assets	3.24	2.00
(iii) Actuarial (Gain/ Loss)	(38.28)	9.05
(iv) Plan Assets at the end of the year	39.67	32.43
e) Actuarial Assumption		
(i) Discount Rate	9.00%	8.00%
(ii) Expected return on Assets	8.75%	9.00%
(iii) Salary Increase	9.00%	9.00%
(iv) Mortality	IALM 2006-08	LICI 1994-1996

33 SEGMENT REPORT**A Primary Segment (By Business Segment) :**

The Company is engaged in the business of production of Steel Products, Wheat Products & Power. The Company has three reportable business segments i.e. Steel, Agro & Power which have been identified in line with the A.S. -17 "Segment Reporting". Information about Primary Segment is as follows :

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

SEGMENT WISE REPORTING

Particulars	2013-14	2012-13
1. Segment Revenue:		
(i) Agro	18,838.80	10,986.75
(ii) Steel	28,494.20	30,113.06
(iii) Power	4,803.30	3,626.43
(iv) Unallocated Income	48.48	2,259.41
Total Segment Revenue	52,184.78	46,985.65
Less : Inter Segment Revenue-Power	4,803.30	3,626.43
Net Sales/Income from Operation	47,381.48	43,359.22
2. Segment Result:		
(i) Agro	2,071.37	1,423.65
(ii) Steel	(869.89)	(1,601.81)
(iii) Power	2,168.93	1,689.45
Total Segment Result	3,370.41	1,511.29
Add: Unallocated Income	–	2,250.00
Less: Interest	1,541.16	2,093.97
Less: Other Unallocable Expenses (Net)	110.41	151.97
Total Profit before Tax	1,718.84	1,515.35
3. Segment Assets:		
(i) Agro	3,651.89	2,660.44
(ii) Steel	28,069.39	28,296.09
(iii) Power	9,457.64	8,242.14
(iv) Unallocated	5,396.01	5,044.02
	46,574.93	44,242.69
Segment Liability:		
(i) Agro	2,707.46	1,952.45
(ii) Steel	16,155.15	17,860.10
(iii) Power	4,894.87	3,079.72
(iv) Unallocated	2,149.30	2,311.18
	25,906.78	25,203.45
4. Capital Employed		
(i) Agro	944.43	707.98
(ii) Steel	11,914.24	10,435.99
(iii) Power	4,562.77	5,162.42
(iv) Unallocated	3,246.72	2,747.37
Total Capital Employed	20,668.16	19,053.76

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

B) 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

34 CONTINGENT LIABILITIES

Contingent Liabilities not provided for in respect of :	2013-14	2012-13
(i) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00	150.00
(ii) Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00	2.00
(iii) Guarantees given by the bank on behalf of the Company to Coal India	200.00	0.00
(iv) Appeal against order of Assessing Officer: Vide its order dated 21.03.2013 Assessing Office, Mr. V. K. Meena, Dy. C.I.T. Range-3, Kolkata has raised a tax demand worth ₹ 29,140/- (Rupees Twenty Nine Thousand One Hundred and Forty only) for the Assessment Year 2010-11 (previous year 2009-10). Based on the advice of Income Tax Consultants, Company has preferred an appeal with C.I.T. (Appeals)-I, Kolkata. The Matter is under consideration.	0.29	0.29
(v) Irrevocable Letter of Credit Issued by State Bank of India in favour of Transasia Pacific GGNR Pte Ltd Singapore amounting to USD 1503153.38 for Supply of Anglo South african Steam Coal. (Rate as on 31.03.2013 1USD = ₹ 54.33).	—	816.66
(vi) Irrevocable Letter of Credit Issued by State Bank of India in favour of Saraogi Globle Pte Ltd Singapore amounting to USD 834750 for Supply Coal. (Rate as on 31.03.2014 1USD = ₹ 59.94).	500.26	—

35 MANAGERIAL REMUNERATION PAID/PAYABLE TO DIRECTORS

	2013-14	2012-13
Managing Director		
Remuneration	7.80	7.20
Whole Time Director/Director		
Remuneration	15.60	14.40
During the year the company has paid ₹ 73000 against sitting fee to the directors. The Company has not given any perquisite to its directors during the year.		
Payment to Auditors		
(i) Audit Fees	2.25	1.75
(ii) Tax and VAT Audit Fees	0.25	0.25
(iii) Other Services (Certification fees)	1.28	1.27
Total	3.78	3.27

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

Note 36: Impairment of Assets

Pursuant to the Accounting Standard (AS 28)- "Impairment of Assets" issued by The Institute of Chartered Accountant of India, the Company assessed its fixed assets for impairment as at March 31, 2014 and concluded that there is no significant impairment in fixed asset that needs to be recognized in the books of accounts.

Note 37: Disclosure as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The company has not received any intimation from "suppliers" regarding status under the Micro, Small and medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said act have not been furnished.

Note 38: Balance of the Sundry Debtors, Creditors, Loans and advances are subject to confirmation from respective parties.

Note 39:

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2007 and amended from time to time, the company is eligible for Interest free loan equivalent to the amount of VAT & CST liability for 15 years and which shall be re-payable after 15 years. The company has claimed ₹ 5483.39 Lacs up to 31st March 2014 (upto previous year ₹ 3915.52 Lacs) on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 5483.39 lacs, ₹ 3911.00 Lacs has not been deposited to Commercial Tax department in accordance with an order of Hon'ble High Court of Allahabad in writ petition no. 8886/2011, 12710/2011 and 2067/2012. However ₹ 1572.39 Lacs have already deposited upto 31.03.2014. State Government has vide order no E-6-534/10-2011 dated 18/11/2011 has refused to consider pending applications under the schemes and company has obtained stay against payment of taxes from Hon'ble High Court Allahabad, Lucknow Bench. Accordingly, company has not deposited VAT amounting to ₹ 3911.00 lacs.

Hon'ble High Court Allahabad vide their judgement and order dated 12-08-2013 directed the State Government to take a fresh decision in the matter expeditiously and not to make any recovery of the unpaid VAT amount. Since, State Government, as they did in past, has not taken steps for disbursement of claimed amount of subsidy and is delaying the matter inordinately as the Hon'ble High Court has not fixed any time limit to take such decision, Company preferred a writ petition before Hon'ble Supreme Court. Writ so filed with Hon'ble Supreme Court is pending before them.

Note 40:

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2007 and amended from time to time, the company is eligible for incentives i.e. Capital investment subsidy @ 20% of fixed capital investment, infrastructure subsidy @ 10% of total fixed capital investment and 5% additional capital subsidy being the first unit in Purvanchal region. Company has claimed for ₹ 12262.00 Lacs against the capital investment made upto 31st May 2012. The incentive received of ₹ 2428.00 Lacs has been credited in fixed assets in the ratio of capital investment made. No provision has been made for the unrealized claim of ₹ 9834.00 Lacs in the books.

Note 41:

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2007 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. During the year company has provided an amount of ₹ 3076.94 Lacs (Previous year ₹ 3101.11 Lacs), which has been adjusted with freight paid on Iron Ore in Statement of Profit Loss and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2014 was ₹ 8791.53 Lacs (Previous year ₹ 5714.59 Lacs).

Note 42:

State Govt. Vide G.O. no. 1674/77-6-11-10/(Tax) 04 T.C.-12 dated November 18, 2011, has refused to consider pending applications under the schemes stated hereinabove. Being the unconstitutional decision and injustice on the part of the State Government of Uttar Pradesh, and for getting equal protection of law of land, Company has preferred a Writ petition bearing no.12710/2011 / Misc. Bench dated 17.12.2011 at Honourable High Court of Allahabad, Lucknow Bench, Uttar Pradesh, and the Honourable High Court has restrained the Govt. from realisation of the taxes. The total operational profit is inclusive of freight subsidy amounting to ₹ 3076.94 Lacs (Previous year ₹ 3101.11 Lacs) which is receivable and subject to the decision of Honourable Court.

Notes to the Financial Statements for the year ended 31st March, 2014

(₹ in Lacs)

Note 43:

- i. **License Agreement** : Company has entered into a License Agreement dated 30th March, 2013 with Gallantt Udyog Limited (Licensor) and pursuant to the agreement, the Company has been granted leave and license by the Licensor to occupy, use, run and operate the Flour Mill unit of the Licensor located at 60 KM Stone, Gorakhpur-Lucknow Highway, Sabdaiyan Kalan, Basti District of Uttar Pradesh with a factory and other utilities along with building structures commonly known as Basti Flour Mill of Gallantt Udyog Limited established in the year 2002 having present production capacity at 72,000 M.T. per annum (hereinafter referred to as "Basti Flour Mill"). Terms and conditions and particulars have been clearly embodied in the said agreement. Company has complied with the requisite formalities for the above license agreement.
- ii. In terms of the above agreement, a sum of ₹ 1.00 Lac per annum is payable to Gallantt Udyog Ltd as License Fees. Since, the entire undertaking of the Gallantt Udyog Limited is under process of amalgamation with Gallantt Ispat Limited, Company has not made provision for License fees Payable to Gallantt Udyog Ltd.

Note 44:

Amalgamation of Gallantt Udyog Limited (Unlisted Transferor Public Limited Company) with the Company (being Transferee Company): At their meeting held on 30th March, 2013 Board of Directors of the Company has proposed to amalgamate Gallantt Udyog Limited with the Company with effect from Transfer Date 01.04.2013 whereby the identity of both Companies would be blended into one single company. Company has filed application under Clause 24f of the Listing Agreement with the Stock Exchanges for their No-Objection for the said amalgamation. Simultaneously, Company has filed the said application with the Securities and Exchange Board of India for their comment/Observation on the Scheme of Amalgamation of Gallantt Udyog Limited with the Company. Company has complied with the requisite formalities of all the applicable laws pertaining to the said amalgamation. Securities and Exchange Board of India has, vide its letter bearing no. CFD/DIL/HB/MT/14086/2014 dated May 16, 2014, issued its letter of observation/comment to the Company. Bombay Stock Exchange Limited vide its letter bearing no. DCS/AMAL/BS/24(f)/050/2014-15 dated May 20, 2014 and National Stock Exchange of India Limited vide its letter bearing no. Ref: NSE/LIST/239345-W dated May 21, 2014 have also granted their No-Objection to the said amalgamation. Amalgamation proceedings are under process.

Note 45: Unpaid and Unclaimed Amount of Dividend and Share Application Money:

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2014

Nature of Money	Relevant F.Y.	Bank Account Details	Amount Lying (₹ in Lacs)
Share Application Money	2010-11	HDFC Bank Account No. 00142300001609	0.72
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	0.10
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	0.05
Final Dividend for 2013	2012-13	IDBI BANK DIVIDEND 0135103000007344	0.17

Note 46 : Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 10/- per share. 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures have been converted into Equity Shares on 25th May, 2013 in the ratio of 1:1. Accordingly, new equity shares so allotted rank pari passu in all respects including dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) are in proportion to its shares of the paid up equity capital of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings. During the year ended 31st March, 2014, the amount per share dividend recognized

as distributions to equity shareholders was Paisa 50. The total dividend appropriation for the year ended 31st March, 2014 amounted to ₹ 1,71,20,174/- including corporate dividend tax of ₹ 24,86,921.

Note 47 : Previous year figures have been regrouped and reclassified wherever necessary to facilitate comparison with current year figures.

As per our report of even date

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Registration No. 01739C

H. C. Pant

Partner

Membership No. 17694

Place : Kolkata

Dated : 30th May, 2014

C. P. Agrawal

Chairman & Managing Director

Nitin M. Kandoi

Whole time Director

P. P. Agrawal

Whole time Director

Nitesh Kumar

Company Secretary

[illegible]

GALLANTT ISPAT LIMITED

(CIN): L27109WB2005PLC101650

1, Crooked Lane, Second Floor, Room No. 222 & 223, Kolkata - 700069

Website: www.gallantt.com; Telefax: +91 33 40642189; Email: nitesh@gallantt.com

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

TENTH ANNUAL GENERAL MEETING (Tuesday, September 09, 2014)

Name of the member(s): _____

Registered Address: _____

Email id: _____

Folio No./DP ID-Client ID No.: _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

Email Id: _____

Signature: _____, or failing him/her

2. Name: _____

Address: _____

Email Id: _____

Signature: _____, or failing him/her

3. Name: _____

Address: _____

Email Id: _____

Signature: _____

As my / our proxy to addend and vote (on a poll) for me / us and on my/ our behalf at the Tenth Annual General Meeting of the Company, to be held on Tuesday, September 09, 2014 at 11.30 A.M. At Rabindra Okakura Bhavan, DD-27/A/1, Sector – 1, DD Block, Salt Lake City, Kolkata - 700 091 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description of Resolution		
Ordinary Business		For	Against
1	Adoption of the financial statements of the Company for the year ended 31 March, 2014 together with the reports of the Directors' and Auditors' thereon.		
2	Declaration of dividend at the rate of Re. 0.50/- (Paise Fifty only) per share (5%) on the fully paid 2,92,66,505 equity share capital of Rs. 10/- each.		
3	Reappointment of Mr. Nitin M Kandoi (holding DIN 01979952), who retires by rotation.		
4	Appointment of Anoop Agrawal & Co. Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.		
Special Business			
5	Appointment of Mr. Jyotirindra Nath Dey (DIN: 00180925) as an Independent Director upto March 31, 2019.		
6	Appointment of Mr. Piyush Kankrania (DIN: 05241962) as an Independent Director upto March 31, 2019.		
7	Appointment of Mr. Rajesh Kumar Jain (DIN: 02113164) as an Independent Director upto March 31, 2019.		
8	Appointment of Mrs. Sangeeta Upadhyay (DIN: 06920195) as an Independent Director upto March 31, 2019.		

Resolution No.	Description of Resolution		
Special Business		For	Against
9	Appointment of Mr. Nitin M Kandoi (DIN: 01979952) as a Whole-time Director designated as Director – Plant Operation for a period of five years effective from October 10, 2014		
10	Appointment of Mr. Santosh Kumar Agrawal (DIN: 01045228) as a Director liable to retire by rotation.		
11	Appointment of Mr. Santosh Kumar Agrawal (DIN: 01045228) as a Whole-time Director designated as Director-Sales & Marketing effective from July 10, 2014 for a period of five years.		
12	Approval of borrowing limits of the Company		
13	Creation of Charge on the assets of the Company		
14	Ratification of Cost Auditors' remuneration		
15	Adoption of New set of Articles of Association of the Company.		
16	Appointment of Mrs. Madhu Agrawal as Senior Executive (Office Administration-Works)		

Signed this _____ day of _____, 2014

Signature of Shareholder: _____

Affix
Revenue
Stamp

Signature of First Proxy holder

Signature of Second Proxy holder

Signature of Third Proxy holder

NOTE:

1. THIS FORM OF PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 1, CROOKED LANE, SECOND FLOOR, ROOM NO. 222 & 223, KOLKATA – 700069 NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Tenth Annual General Meeting.

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ATTENDANCE SLIP**TENTH ANNUAL GENERAL MEETING (Tuesday, September 09, 2014)**

Registered Folio /

DP ID and Client ID

Name and Address of the
Sole/First Shareholder

Joint Holder 1

Joint Holder 2

I/ We hereby record my/ our presence at the TENTH ANNUAL GENERAL MEETING of the Company at **RABINDRA OKAKURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City, Kolkata – 700 091**, on Tuesday, the 9th September, 2014 at 11.30 A.M.

Member's Folio/ DP ID-Client ID No.	Member's/ Proxy's name in Block Letters	Member's/Proxy's Signature

NOTES:

1. Please complete the Folio/ DP ID-Client ID No. and name of the Member/ Proxy, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
2. Shareholder/ Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

ELECTRONIC VOTING PARTICULARS

EVSN	User ID	Password
140723015	Please refer to Note no. 17 - III in the Notice	

NOTES

[illegible]

GALLANTT ISPAT LIMITED

CIN : L27109WB2005PLC101650

1, Crooked Lane, 2nd Floor, Room No. 222 & 223

Kolkata - 700 069, West Bengal, India

Website : www.gallantt.com