



GALLANTT

GALLANTT ISPAT LIMITED

Annual Report 2017-18



CHAIRMAN & MANAGING DIRECTOR'S LETTER

My Dear Shareowners

I am very happily presenting the Annual Report and financial statements of your Company for the financial year 2017-18. FY 2017-18 was a defining year for Gallantt Ispat both in terms of financial performance and strategic growth.

India continues to remain as one of the world's fastest growing economies with a projected growth rate of 7.4% in 2018. The year 2017-18 was marked by a number of key structural reforms such as the Goods and Services Tax (GST), which aims to build strength across macro-economic parameters for sustainable growth. The Insolvency & Bankruptcy Code brought by the Government and passed by the Parliament is a bold step to provide a transparent framework for resolution of distressed assets. These reform measures are expected to have a positive impact on the economy in the long term.

Gallantt business is undergoing a dynamic transition taking the company to the next level. The management is deeply involved in further improving our presence and advantages in the market. The succeeding few years are going to be very important to our company as we capitalize on the company's inherent strengths which are primarily our profoundly advanced processes, practices and the way we engage with our customers.

FY17-18 has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 26% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company recorded a growth of 24% in Net Profit on year to year basis (standalone) despite a relatively sluggish industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Innovation is our key constituent for increasing our competitive advantage. Despite the unforeseen challenges from the external environment we continue to strengthen our internal operations by upgrading technology, streamlining processes and rationalization of human resources.

We, at Gallantt Ispat, spent considerable time expanding the plant capacity of various units. Expansion programme is in its full swing and it is almost complete. I am pleased to inform you that on operating at our full production capacities utilisation will boost our cash flows in the years to come. Our primary focus is on delivering value of the highest standard to our stakeholders. To ensure quality, reliability and for the better co-creation of value, many buyers are doing away with multiple suppliers and are consolidating the purchase from large and more dependable partners. Our company is the largest steel manufacturers in the Purvanchal Region of Uttar Pradesh. The Indian economy is at a transformative stage and growth momentum on most counts is expected to accelerate. On the domestic front, the progress on key structural reforms including the Insolvency and Bankruptcy Code, Goods and Services Tax (GST), Policy clarity in key infrastructure sectors, higher public investments amongst other initiatives will provide further economic stability and growth impetus.

Our team is the backbone of our organization, without their experience, expertise and commitment we would not have scaled this height that we have in such a short span. I would like to take this opportunity to thank all our shareholders for their continued support and confidence in the Company and the management. I also express my sincere gratitude to our customers and suppliers for their trust and support towards the Company. I am also thankful to the employees, the management team and my colleagues on the Board of Directors and all other stakeholders for their significant contribution to the Company.

Thanks,

C. P. AGRAWAL

**GALLANTT ISPAT LIMITED**

Corporate Identity Number (CIN): L27109WB2005PLC101650

Corporate Profile**BOARD OF DIRECTORS****Mr. Chandra Prakash Agrawal**
*Chairman & Managing Director***Mr. Prem Prakash Agrawal**
*Whole Time Director***Mr. Nitin Mahavir Prasad Kandoi**
*Director-Plant Operation***Mr. Santosh Kumar Agrawal**
*Director-Sales & Marketing***Mr. Jyotirindra Nath Dey**
*Non-Executive Independent Director***Mr. Piyush Kankrania**
*Non-Executive Independent Director***Ms. Sangeeta Upadhyay**
*Non-Executive Independent Director***Mr. Tarun Kumar Gupta**
*Non-Executive Independent Director***AUDITORS****Anoop Agarwal & Co.,**
*Chartered Accountants***COST AUDITORS****U. Tiwari & Associates**
*Cost Accountants***CHIEF EXECUTIVE OFFICER**

Mr. Mayank Agrawal

CHIEF FINANCIAL OFFICER

Mr. Amit Jalan

COMPANY SECRETARY

Mr. Nitesh Kumar

REGISTERED OFFICE1, Crooked Lane, Second Floor
Room Nos. 222 & 223
Kolkata - 700 069
Telefax : 033-40642189
Website: www.gallantt.com**BANKERS**State Bank of India
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. Tarun Kumar Gupta
Mr. Jyotirindra Nath Dey**STAKEHOLDERS RELATIONSHIP COMMITTEE OF THE BOARD**Mr. Tarun Kumar Gupta - Chairman
Mr. Piyush Kankrania
Mr. Jyotirindra Nath Dey**NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD**Mr. Jyotirindra Nath Dey - Chairman
Mr. Piyush Kankrania
Mr. Tarun Kumar Gupta**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD**Mr. Jyotirindra Nath Dey - Chairman
Mr. Chandra Prakash Agarwal
Mr. Prem Prakash Agarwal**14th Annual Report 2017-2018**

Date	27.09.2018
Day	Thursday
Time	2.00 P.M.
Place	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
Book Closure Date for AGM	Friday, September 21, 2018 to Thursday, September 27, 2018 (both days inclusive)
Members are requested to register their email address with the Depository Participants/Registrar & Share Transfer Agent.	

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NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of GALLANTT ISPAT LIMITED (CIN:L27109WB2005PLC101650) will be held on Thursday, 27th September, 2018 at 2.00 P.M. at – Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
 - b. the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Prem Prakash Agrawal (DIN: 01397585), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee, Anoop Agarwal & Co., Chartered Accountants having Registration No. (ICAI Registration No. 01739C), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement

of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2019.”

“RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorized 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”.

SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and in this regard, to consider and if thought fit, to pass 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 re-enactment 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, 2019, be paid remuneration amounting to Rs. 45,000/- (Rupees Forty 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”.

6. To re-appoint Mr. Jyotirindra Nath Dey (DIN: 00180925) as an Independent Director for Second Term and, if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Jyotirindra Nath Dey (DIN: 00180925), who was appointed as an Independent Director and who holds office of the Independent Director up to March 31, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. April 01, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all other acts, deeds and things as may be necessary in this regard.”

7. To re-appoint Mr. Piyush Kankrania (DIN: 05241962) as an Independent Director for Second Term and, if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Piyush Kankrania (DIN: 05241962), who was appointed as an Independent Director and who holds office of the Independent Director up to March 31, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. April 01, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all other acts, deeds and things as may be necessary in this regard.”

8. To re-appoint Mrs. Sangeeta Upadhyay (DIN: 06920195) as an Independent Director for Second Term and, if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of

the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mrs. Sangeeta Upadhyay (DIN: 06920195), who was appointed as an Independent Director and who holds office of the Independent Director up to July 09, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. July 10, 2019.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all other acts, deeds and things as may be necessary in this regard.”

9. To consider and approve granting of Loan u/s 185 to M/s. Gallantt Metal Limited (GML) and in this regard if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provision of Section 185 and other applicable provisions if any, of the Companies Act, 2013 and rules made thereunder (as may be amended from time to time (‘the Act’), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the Members of the Company, be and is hereby accorded to grant loan to M/s. Gallantt Metal Limited (GML), a Company in which one or more Directors are interested and which is a related party, up to an amount of Rs. 50 Crores (Rupees Fifty Crores Only) from time to time in one or more tranches for its Principal Business Activities on such terms and conditions as the Board of Directors in discussion with GML may finalize.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

For Gallantt Ispat Limited

Date: August 13, 2018
Place: Gorakhpur

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 Director proposed to be 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Friday, 21, September, 2018 to Thursday, September 27, 2018 (both days inclusive) the purposes of the Annual General Meeting of the Company.
9. During the Financial Year 2017-18, Board of Directors of the Company has recommended Dividend of 5% on face value of Rs. 10 each (50 Paise only per share). Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts are 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.
10. 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.
11. 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.
12. **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.**
13. **Members who have not so far encashed their Divided Warrants for the financial years ended 31st March 2011, 2012, 2013, 2014, 2015, 2016 and 2017 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website www.gallantt.com and also uploaded on the website of IEPF viz. www.iepf.gov.in.**
14. 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. Members may also note that the Notice of the 14th AGM and the Annual Report for FY 2017-18, 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.

15. 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.
16. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection by the members at the AGM.
17. Members may also note that the Notice of the 14th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website www.gallantt.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069, West Bengal between 11.00 AM and 1.00 P.M. on all

working days up to the date of the Annual General Meeting.

18. VOTING THROUGH ELECTRONIC MEANS

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tanmayks@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

19. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tanmayks@gmail.com with a copy marked to evoting@nsdl.co.in without which the vote shall not be treated as valid.
20. 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 of 20th September, 2018. A person who is not a member as on cut off date should treat this notice for information purpose only.
21. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficiary owners as at closing hours of business on 10th August, 2018.
22. The shareholders shall have one vote per equity share held by them as on the cut-off date of 20th September, 2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
23. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
24. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
25. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 10th August, 2018 are requested to send the written / email communication to the Company at nitesh@gallantt.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
26. Mr. Tanmay Kumar Saha, practicing Company Secretary Secretary, (Membership No. F8847 and CP No. 11918) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gallantt.com and on the website of NSDL. The same will be communicated to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited.
28. Members who have not encashed the dividend warrants for the financial year ended 2010-11 and/ or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection the company has placed the names of such persons who has not claimed dividend since 2010-11 in the website of the company and the shareholders can view the details at www.gallantt.com
29. No gift coupon or gift shall be distributed to the members at or in connection with the Annual General Meeting.
30. Share Application money remain unclaimed in unpaid for seven years has been transferred to the Investor Education and Protection Fund.
31. The Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 124 of Companies Act, 2013, on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year. For the financial year ended 31 March, 2018, the information on unclaimed dividend for the years from 2010-11 to 2017-18 was filed with the Ministry of Corporate Affairs and hosted on the web site of the Company within the statutory time.
32. Details of dividend declared for the financial years from 2010-11 onwards are given below:

Financial Year Declared on Dividend yield Amount paid per equity share

2010-11	28.09.2011	5%	Re. 0.50
2011-12	25.09.2012	5%	Re. 0.50
2012-13	19.09.2013	5%	Re. 0.50
2013-14	09.09.2014	5%	Re. 0.50
2014-15	28.09.2015	10%	Re. 1.00
2015-16 (Interim)	17.03. 2016	10%	Re. 1.00
2016-17	26.09.2017	5%	Re. 0.50

33. The Company had released an Advertisement dated July 17, 2018 in National Daily viz., Business Standard and Regional language daily viz., Ek Din for transferring unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company has also sent individual communication dated July 16, 2018 to the concerned shareholders whose dividend remains unpaid or unclaimed for period of Seven (7) consecutive years since 2011, at their registered address and shares are liable to be transferred

to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned. The Complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company i.e., www.gallantt.com

34. For any communication, the shareholders may also send requests to the Company Secretary e-mail IDs: nitesh@gallantt.com.
35. The route map to the venue of AGM is provided in the Annual Report for easy location.

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

The Board of Directors at its meeting held on May 12, 2018 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, 2019, at a remuneration amounting to Rs. 45,000 (Rupees Forty 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. 5 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. 5 of this Notice.

Item No. 6 to 8:

Re-appointment of Independent Directors for a Second Term of 5 (Five) consecutive years on the Board of the Company

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreements with the stock exchanges, Mr. Jyotirindra Nath Dey (DIN: 00180925), Mr. Piyush Kankrania (DIN: 05241962) and Mrs. Sangeeta Upadhyay (DIN: 06920195) were appointed as an Independent Directors on the Board of the Company for a period of 5 (Five) years. Mr. Jyotirindra Nath Dey and Mr. Piyush Kankrania shall hold office as an Independent Directors of the Company up to March 31st, 2019 and Mrs. Sangeeta Upadhyay upto July 09, 2019 ("First Term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay as an Independent Directors for Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from April 01, 2019 up to March 31, 2024 for Mr. Jyotirindra Nath Dey and Mr. Piyush Kankrania and upto July 09, 2024 for Mrs. Sangeeta Upadhyay. On the recommendation of the Nomination and Remuneration Committee, based upon the performance evaluation of Independent Directors and the Board considers that, given their backgrounds, rich experiences of diversified sectors and contributions made by them during their tenure, the continued association of would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board has recommended reappointment of Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay as an Independent Directors of the Company, not liable to retire by rotation for Second Term of 5 (Five) consecutive years on the Board of the Company.

Section 149 of the Act and provisions of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an Independent Director of a Company shall meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors and all of them have also given declarations that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time).

In the opinion of the Board, all the above three Directors meet the criteria of Independence and qualifies for appointment as an Independent Directors.

Further, in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, no listed entity shall appoint or continue a person as a Non-Executive Director with effect from 1 April, 2019, who has attained the age of 75 years unless a Special Resolution is passed in this regard. As term of Mr. Jyotirindra Nath Dey, aged 81 years is expiring on March 31, 2019, their re-appointment is recommended to the Members. He is very energetic, enthusiastic and actively engaged in providing their guidance from time to time, so as to run the operations of the Company in better and successful manner.

Details of Directors whose re-appointment as an Independent Directors for Second Term are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI). Copy of draft letters of re-appointment of Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay setting out the terms and conditions of appointment shall be available for inspection by the Members at the Registered Office of the Company.

Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay are interested in the resolutions set out respectively at Item Nos. 6, 7 and 8 of the Notice with regard to their respective re-appointments. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or

otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Resolutions set out at Item Nos. 6, 7 and 8 of the Notice for approval by the Members by way of Special Resolutions.

Item No. 9

Loan to Gallantt Metal Limited (GML)

Pursuant to the provisions of Section 185 of the Companies Act, 2013 as amended by Companies Amendment Act, 2017, the Company may advance any Loan including any Loan represented by a Book debt to any person in whom any of the Director of the Company is interested subject to condition that Members approve the same by way of Special Resolution.

Members are hereby informed that Gallantt Metal Limited (GML) is a Related Party as Mr. Chandra Prakash Agrawal, Managing Director and Mr. Jyotirindra Nath Dey, Independent Director are common in both the Companies. Mr. Chandra Prakash Agrawal holds 3,00,000 Equity Shares (0.369% approx.) shares in GML and whereas Mr. Jyotirindra Nath Dey does not hold shares in GML either directly or indirectly.

GML is in requirement of funds for running its business operations in a more efficient manner. For this purpose, the Board of Directors on the basis of the recommendation of the Audit Committee, has approved granting of Loan up to Rs. 50 Crores (Rupees Fifty Crores only) to GML in one or more tranches, in its Meeting held on August 13, 2018. This approval is subject to approval of Members by way of Special Resolution.

This loan shall be utilized by M/s. Gallantt Metal Limited for its principal business activities only and not for granting of further loan or investment purpose.

None of the Directors / KMP other than above is any way concerned or interested in this resolution.

The Board hereby recommends the resolution as set out at Item No. 9 for consideration and approval of Members of the Company by way of Special Resolution.

For Gallantt Ispat Limited

Date: August 13, 2018

Place: Gorakhpur

Nitesh Kumar
(Company Secretary)

Annexure 1
DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING
ANNUAL GENERAL MEETING [In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure
Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. Prem Prakash Agrawal
DIN	01397585
Date of Birth and Age	17.04.1966 (52 Years approximately)
Date of first appointment on the Board	11.02.2005 (Since Incorporation)
Qualifications	B.Com (H) from Gorakhpur University
Experience and Expertise	He is Promoter of the Company has an overall experience of 27 years. He was closely associated with Govind Mills Limited and Gallantt Udyog Limited. Over the period he has understood the business techniques in the field of Production, Marketing, Accounts, Finance etc.
Number of Meetings of the Board attended during the year.	Eleven (11). For details please refer to Corporate Governance Report forming part of Annual Report
List of Directorship / Membership / Chairmanship of Committees of other Board.	NIL
Shareholding in Gallantt Ispat Limited	259213 (Apart from this, M/s. Prem Prakash Agrawal HUF holds 596935 no. of Shares in the Company)
Relationship with other directors, manager and other Key Managerial Personnel of the company	Mr. Prem Prakash Agrawal is brother of Mr. Chandra Prakash Agrawal (Chairman and Managing Director) and Mr. Santosh Kumar Agrawal, (Director, Sales and Marketing). Further, Mr. Prem Prakash Agrawal is uncle of Mr. Mayank Agrawal (Chief Executive Officer).
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>Mr. Prem Prakash Agrawal is a Whole-time Director of the Company. He is serving on the Board of the Company since incorporation (11.02.2005). He has been reappointed on the Board as a Whole-time Director effective from April 01, 2014 for five years and subsequently his terms of remuneration was revised effective from October 01, 2016 which is as under:</p> <p>Salary:- At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.</p> <p>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.</p> <p>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.</p> <p>Commission:- No commission shall be paid.</p> <p>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.</p> <p>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.</p> <p>Gratuity and encashment of leave: He will be entitled to gratuity and encashment of leave as per rules of the Company.</p> <p>His last drawn remuneration inclusive of perquisites is ₹ 24 Lakhs in the financial year 2017-18.</p>
Justification for choosing the appointees for appointment as Independent Directors	Vast experience in the field of Production, Marketing, Accounts, Finance etc.
Chairman/member of the Committee of the Board of Directors of this Company	Member of Corporate Social Responsibility Committee of the Board.

Name of the Director	Mr. Jyotirindra Nath Dey
DIN	00180925
Date of Birth and Age	05.06.1937 (81 Years approximately)
Date of first appointment on the Board	10.10.2009
Qualifications	Electrical Engineer
Experience and Expertise	Mr. Jyotirindra Nath Dey is an Electrical Engineer having experience of over 48 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.
Number of Meetings of the Board attended during the year.	Eleven (11). For details please refer to Corporate Governance Report forming part of Annual Report. Apart from the regular Board Meetings, he has also attended separate meeting of Independent Directors.
List of Directorship / Membership / Chairmanship of Committees of other Board.	<p><u>List of Directorship of other Companies:</u></p> <ol style="list-style-type: none"> 1. Gallantt Metal Limited 2. Concrete Credit Limited 3. Princeton Comtrade Private Limited 4. Swiss Highrise Private Limited 5. Nilgiri Vanijya Private Limited 6. Pacific Vinimay Private Limited <p><u>List of Membership/Chairmanship of Committees of other Companies:</u></p> <ol style="list-style-type: none"> 1. Chairman-Audit Committee of Concrete Credit Limited 2. Member-Stakeholder Relationship Committee- Concrete Credit Limited 3. Member-Nomination and Remuneration Committee-Concrete Credit Limited 4. Chairman- Nomination and Remuneration Committee of Gallantt Metal Limited 5. Member-Stakeholder Relationship Committee- Gallantt Metal Limited 6. Member-Audit Committee –Gallantt Metal Limited 7. Chairman – Corporate Social Responsibility Committee- Gallantt Metal Limited
Shareholding in Gallantt Ispat Limited	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with other directors, manager and other Key Managerial Personnel of the company
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Jyotirindra Nath Dey is an Independent Director of the Company. He was appointed as an Independent Director on the Board of the Company for a period of five years and his first tenure as an Independent Director completes on March 31, 2019. He has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from April 01, 2019 up to March 31, 2024. Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. He has drawn a sitting fee of ₹ 35,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	He is very energetic, enthusiastic and actively engaged in providing their guidance from time to time, so as to run the operations of the Company in better and successful manner.

Name of the Director	Mr. Piyush Kankrania
DIN	05241962
Date of Birth and Age	20.12.1987 (31 Years approximately)
Date of first appointment on the Board	29.03.2012
Qualifications	B.Com(H), Chartered Accountant
Experience and Expertise	Mr. Piyush Kankrania, aged about 31 years, is a 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.
Number of Meetings of the Board attended during the year.	Ten (10). For details please refer to Corporate Governance Report forming part of Annual Report. Apart from the regular Board Meetings, he has also attended separate meeting of Independent Directors.
List of Directorship / Membership / Chairmanship of Committees of other Board.	NIL
Shareholding in Gallantt Ispat Limited	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with other directors, manager and other Key Managerial Personnel of the company
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Piyush Kankrania is an Independent Director of the Company. He was appointed as an Independent Director on the Board of the Company for a period of five years and his first tenure as an Independent Director completes on March 31, 2019. He has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from April 01, 2019 up to March 31, 2024. Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. He has drawn a sitting fee of ₹ 31,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	Considering and Keeping in mind backgrounds, rich experiences of diversified sectors and contributions made by Mr. Piyush Kankrania during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his services as Independent Directors.

Name of the Director	Mrs. Sangeeta Upadhyay
DIN	06920195
Date of Birth and Age	04.09.1969 (49 Years approximately)
Date of first appointment on the Board	10.07.2014
Qualifications	Bachelor of Arts (H)
Experience and Expertise	Mrs. Sangeeta Upadhyay, aged about 49 years, has in-depth knowledge of agro industry with over 14 years of work experience. She possesses vast experience in the field of food processing and agro business.
Number of Meetings of the Board attended during the year.	Eight (8). For details please refer to Corporate Governance Report forming part of Annual Report. Apart from the regular Board Meetings, she has also attended separate meeting of Independent Directors.
List of Directorship / Membership / Chairmanship of Committees of other Board.	NIL
Shareholding in Gallantt Ispat Limited	NIL

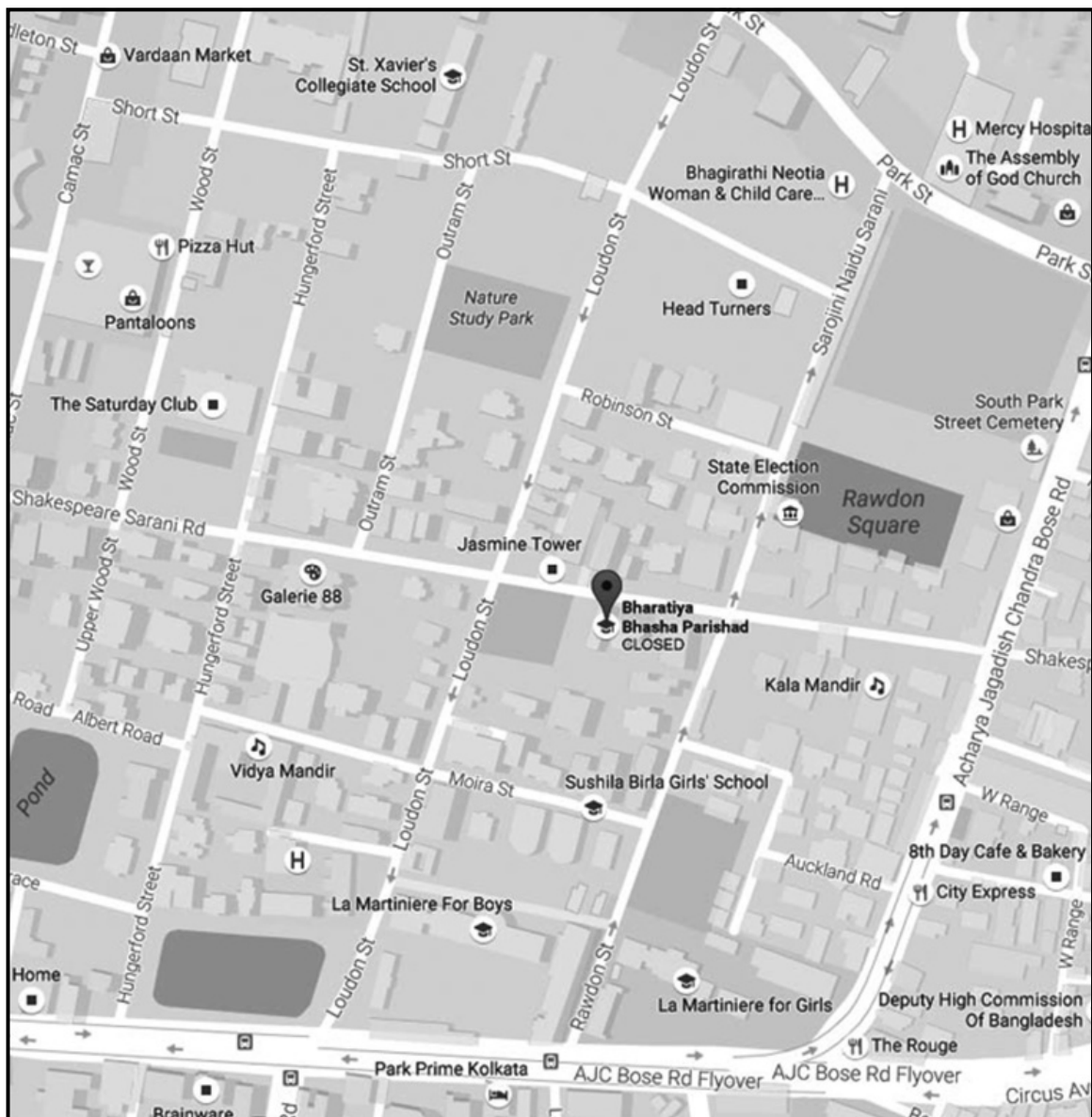
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with other directors, manager and other Key Managerial Personnel of the company
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mrs. Sangeeta Upadhyay is an Independent Director of the Company. She was appointed as an Independent Director on the Board of the Company for a period of five years and her first tenure as an Independent Director completes on July 09, 2019. She has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from July 10, 2019 up to July 09, 2024. Apart from receiving sitting fees she has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. She has drawn a sitting fee of ₹ 9,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	Considering and Keeping in mind backgrounds, rich experiences of diversified sectors and contributions made by Mrs. Sangeeta Upadhyay during her tenure, her continued association would be beneficial to the Company and it is desirable to continue to avail her services as Independent Directors.

For Gallantt Ispat Limited

Nitesh Kumar
(Company Secretary)

Date: August 13, 2018
Place: Gorakhpur

Road Map of Venue of 14th Annual General Meeting



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 14th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2018.

CORPORATE OVERVIEW

Gallantt Ispat Limited ("Your Company" or "The Company") is a leading Iron and Steel manufacturing Company in Eastern Uttar Pradesh. The Company has its Registered Office at Kolkata and Factory at Gorakhpur, Uttar Pradesh.

WORKING RESULTS

(₹ in Lacs)

	Standalone		Consolidated	
	2018	2017	2018	2017
Financial Results				
Income from operation	58,688.23	46,479.10	58,688.23	46,479.10
Other Operating Income	152.89	40.96	158.63	47.52
Finance Cost	857.17	423.78	857.17	423.78
Depreciation (including amortization)	1,836.71	1,369.26	1,836.71	1,369.26
Profit Before Tax	6,681.96	3,442.99	6,682.18	3,448.29
Tax Expenses (including Deferred Tax)	1,320.16	124.27	1,320.31	126.08
Profit After Tax	5,361.80	4,334.32	7,755.82	5,630.64

FINANCIAL ACCOUNTING AND ADOPTION OF IND AS

The Ministry of Corporate Affairs (MCA) has noticed phase-wise road map for the adoption of Indian Accounting Standard ("Ind AS"), converged with International Financial Reporting Standards (IFRS), vide its notification dated 16 February, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015 as amended by Indian Accounting Standards ("Ind AS") Rules 2016 for application of the Ind AS. Accordingly, your Company has adopted Ind AS with effect from the FY 2017-18 (along with comparative for the FY 2016-17), which is covered under Phase-II, based on net worth criteria. Your Company maintains highest Standards of Corporate Governance and recognizes that Financial Statements are important source of information for the Shareholders and other Stakeholders.

The Financial Statements for the FY 2017-18 are the First Financial Statements with comparatives prepared under Ind AS. Notes to Standalone Financial Statements provide further explanation on the transition to Ind AS.

BUSINESS OPERATION AND PERFORMANCE REVIEW

During the year Revenue from Operations stood at ₹ 58,688.23 Lacs. FY17-18 has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 26% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company

recorded a growth of 24% in Net Profit on year to year basis (standalone) despite a relatively sluggish industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Standalone and Consolidated Net Profit stood at ₹ 5,361.80 Lacs and ₹ 7,755.82 Lacs respectively. Earnings per Share (EPS) stood at ₹ 18.99 (standalone) and ₹ 27.47 (consolidated) for the Financial Year ended March 31, 2018. There is no change in the nature of the business of the Company. Disclosure of financial statement of subsidiaries and associate company has been provided in the prescribed format as a part of this Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. Factory had been working efficiently during the year. Safety measures and processes have been installed and improved upon at the plants and work sites.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

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

DIVIDEND

During the year, your Directors recommended a Dividend of Re. 0.50 (Paise Fifty only) per Equity Share

on 2,82,36,072 Equity Shares of ₹ 10 /- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be ₹ 1,41,18,036 subject to tax. However, consequent upon split of shares of face value of ₹ 10/- each into face value of Re. 1/- each the rate of dividend remain same at 5% but dividend per share would be five paise per share in place of fifty paise per share.

Securities and Exchange Board of India ('SEBI'), vide its notification dated 8 July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market Capitalization calculated as on 31 March of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites (www.gallantt.com).

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company i.e www.gallantt.com under "Investors Corner" and the same is annexed as **Annexure-I**.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2018 stood at 2,823.61 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2018, none of the Directors of the company hold instruments convertible into equity shares of the Company. During the year Eight Wholly Owned Subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited amalgamated with the Company. Since, entire shareholding of these eight Wholly Owned Subsidiaries were held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director- ER) the Authorised Share Capital of these Wholly Owned Subsidiaries clubbed/merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at ₹ 46,68,50,000/-

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

a. In the preparation of the annual accounts, the

applicable accounting standards have been followed.

- b. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, IND AS is applicable to the Company from the Financial Year commencing from April 01, 2017. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2018. Financial Statement has been prepared as per applicable Ind-AS.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business of the Company.

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 2018-19. The ISIN No. of the Company is INE528K01029.

CREDIT RATING

During the year under review, the Rating agency CRISIL Limited has assigned BBB- rating for the Company's Fund Based Working Capital facilities (long term) and BWR A3 for Non-Fund based working capital facilities (short term).

FIXED DEPOSITS

During the year, the Company has not accepted any deposits from public under Chapter V of the Companies Act, 2013.

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 hold office until the conclusion of the 5 years.

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.

The Auditors' Report is annexed hereto and forms part of the Annual Report. The Auditors' report does not contain any qualifications, reservations or adverse remarks.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed as **Annexure-II** to this Directors' report.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES AND EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any Sweat Equity Shares or Equity Shares with Differential Rights during the financial year.

COST AUDIT

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2016-17 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 2017-18. 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 2018-19 also. Company has maintained Cost Records and other documents as required under Companies Act, 2013 and rules made thereunder.

INSURANCE

All the insurable interests of your Company including

inventories, buildings, plant and machinery and liabilities under legislative enactments are adequately insured.

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.

BOARD COMMITTEES

Details of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee have been disclosed under Corporate Governance Report.

DETAILS OF RECOMMENDATIONS OF AUDIT COMMITTEE WHICH WERE NOT ACCEPTED BY THE BOARD ALONG WITH REASONS

The same is not applicable as the Audit Committee's recommendations were accepted and implemented by the Board.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as **Annexure-III** to this report.

A statement comprising the names of top 10 employees in terms of remuneration drawn is given in this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No loan has been granted during the year. Also, during the year your Company has neither given guarantee nor made any investment as per Section 186.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis report is part of the Annual Report is annexed herewith as **Annexure-IV**.

A report on Corporate Governance together with the Auditors' Certificate regarding the compliance of conditions of Corporate Governance is part of the Annual Report.

MARKET AND FUTURE PROSPECTS

Please refer to Management Discussion & Analysis Report which forms part of the Annual Report.

DETAILS OF POLICIES

(i) Nomination and Remuneration Policy

The Board has, on the recommendation of the

Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Company's Remuneration Policy is available on the Company's website www.gallantt.com and the same is attached herewith as **Annexure - V**.

(ii) Corporate Social Responsibility Policy (CSR)

The Board has, on the recommendation of the CSR Committee, approved the CSR Policy. The Company's CSR Policy is available on the Company's website www.gallantt.com and the same is also attached herewith as **Annexure - VI**.

Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is also attached herewith as **Annexure-VII**.

(iii) Risk Management Policy

Business Risk Evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. At present the company has not identified any element of risk which may threaten the business (or) existence of the company.

(iv) Whistle Blower Policy – Vigil Mechanism

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Chairman of the Audit Committee to ensure adequate safeguards against victimisation. This policy would help to create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The Board has elected Mr. Nitesh Kumar, Company Secretary as the Whistle Officer under the vigil mechanism policy.

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company www.gallantt.com under Investors corner.

SECRETARIAL AUDITORS

Mr. Anurag Fatehpuria, Practising Company Secretary, having office address at 23/1, Sita Nath Bose Lane, Salkia Howrah Pin-711101 has been appointed as

Secretarial Auditors of the Company for the FY ended 31.03.2018. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure - VIII** and forms part of this report.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

During the financial year, formal annual evaluation of the Board, its committees and individual Directors was carried out pursuant to the Board Performance Evaluation Policy of the Company.

The performance of the Board and committees was evaluated after seeking inputs from all the Directors on the basis of the criteria such as Board/ committee constitutions, frequency of meetings, effectiveness of processes etc. The performance of individual Directors (including Independent Directors) was evaluated by the Board and Nomination & Remuneration committee (excluding the Director being evaluated) after seeking inputs from all Directors on the basis of the criteria such as thought contribution, business insights and applied knowledge.

A separate meeting of Independent Directors was also held to review the performance of Managing Director, performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

FAMILIARISATION PROGRAMME

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

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com under Investors corner.

CODE OF CONDUCT

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

Pursuant to Regulation 17(5) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. C. P. Agrawal, Chairman & Managing Director and Mr.

Mayank Agrawal, Chief Executive Officer confirmed compliance with the Code by all members of the Board and the Senior Management.

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

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Gallantt Ispat Limited - Code for Fair Disclosure' are available on the Company's website www.gallantt.com under Investors corner.

NUMBER OF MEETINGS OF BOARD AND AUDIT COMMITTEE HELD DURING THE YEAR 2017-2018

Eleven (11) meetings of the Board of Directors of the Company were conducted during the financial year and Nine (9) meetings of the Audit Committee of the Board of Directors were conducted during the financial year.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE COMPANY'S SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

Sl. No.	Name	Status	Date
1	Shikharji Rolling Mills Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
2	Shikharji Steel & Agro Products Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
3	Bhavika Steel Agencies Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
4	Shrinu Agro Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
5	Shrinu Steel Works Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
6	Gyanika Flour Mills Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
7	Satlaj Ispat Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
8	Satlaj Flour Mills Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	08.01.2018
9	Antarmukh Steel Manufacturer Private Limited	Acquisition of Wholly Owned Subsidiary of the Company	15.01.2018

The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

AUDIT COMMITTEE

The Audit committee of the Company as on the date of this report is constituted of following Directors:

Names	Designation	Category
Mr. Piyush Kankrania	Chairman	Independent
Mr. Jyotirindra Nath Dey	Member	Independent
Mr. Tarun Kumar Gupta	Member	Independent

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

Pursuant to the provisions of Section 129(3) of the Act, a statement containing performance & salient features of the financial statements of Company's subsidiaries and associate Companies in Form AOC-1 is attached as **Annexure-IX**.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies and associate Company are audited and certified by their respective Statutory Auditors for consolidation.

Sl. No.	Name	Status	Date
10	Bhavika Smeltors and Food Products Private Limited	Acquisition of Wholly Owned Subsidiary of the Company	15.01.2018
11	Shrinu Rolls and Milling Private Limited	Acquisition of Wholly Owned Subsidiary of the Company	15.01.2018
12	Satlaj Rolls and Milling Private Limited	Acquisition of Wholly Owned Subsidiary of the Company	15.01.2018

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations. However, Members attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate Social Responsibility Committee and has framed a Corporate Social Responsibility Policy and identified Healthcare, Children's education, as some of the key areas. The Company will continue to support social projects that are consistent with the policy.

Corporate Social Responsibility Committee of the Company is constituted of:

Mr. Jyotirindra Nath Dey, Chairman,

Mr. Chandra Prakash Agrawal and

Mr. Prem Prakash Agrawal

KEY MANAGERIAL PERSONNEL

The following are the whole-time key managerial personnel of the Company:

Sl. No.	Name	Designation
1	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
2	Mr. Prem Prakash Agrawal	Whole-time Director
3	Mr. Santosh Kumar Agrawal	Whole-time Director
4	Mr. Nitin Mahavir Prasad Kandoi	Whole-time Director
5	Mr. Mayank Agrawal	Chief Executive Director
6	Mr. Amit Jalan	Chief Financial Officer
7	Mr. Nitesh Kumar	Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Ind - AS on Consolidated Financial Statements read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2018 are provided in the Annual Report.

A statement containing the salient features of the financial statements of each of the subsidiary and Associate Company in the prescribed Form AOC-1 is annexed **Annexure-IX**.

Pursuant to Section 136 of the Act, the financial statements of the subsidiary and Associate Companies are kept for inspection by the shareholders at the Registered Office of the Company. The Company shall provide free of cost, the copy of the financial statements of its subsidiary and Associate companies to the shareholders upon their request. The statements are also available on the website of the Company www.gallantt.com.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is part of the Annual Report and is attached as **Annexure - X**.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-XI**. It has been posted on the website of the Company www.gallantt.com.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the Company is exposed to are:

Financial risks

The Company's policy is to actively manage its foreign exchange risk within the framework laid down by the Company's forex policy approved by the Board. Given the interest rate fluctuations, the Company has adopted a prudent and conservative risk mitigation strategy to minimize financial and interest cost risks.

Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The Company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with the existence of powerful brand image with a robust marketing network mitigates the impact of price risk on finished goods.

Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external Secretarial Audits.

Human resource risks

Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities. The Company has system and procedure in place which helps to identify, nurture and groom managerial talent within the Gallantt Group to prepare them for future business leadership.

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 31.03.2018 :

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In ₹)
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. 0135103000007344	17,307.00
Final Dividend for 2014	2013-14	IDBI Bank Account No. 0135103000007900	3,026.50
Final Dividend for 2015	2014-15	IDBI Bank Account No. 0135103000008587	3,109.00
Interim Dividend 2016	2015-16	ICICI Bank Account No. 001105026007	3,929.00
Final Dividend for 2017	2016-17	IDBI Bank Account No. 1526103000000347	9,132.50

Unpaid dividend amounts are not available for use by the Company. Unpaid and Unclaimed Share Application Money of ₹ 71,900 due for refund was transferred to Investors' Education and Protection Fund on November 08, 2017. This Share Application money remained unclaimed and unpaid for seven consecutive years. Unclaimed and unpaid amount of Dividend for the Financial Year 2010-11 to the tune of ₹ 9,929 are to be transferred to the Investors' Education and Protection Fund. Members who have not so far encashed their Dividend Warrants for the financial years ended 31st March, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website www.gallantt.com and also uploaded on the website of IEPF viz. www.iepf.gov.in.

BOARD OF DIRECTORS AND SENIOR EXECUTIVE

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

Mr. Jyotirindra Nath Dey, Mr. Tarun Kumar Gupta, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay are Independent Directors of the Company. Independent Directors are appointed for five consecutive years and are 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. Mr. Mayank Agrawal was appointed as a Chief Executive Officer of the Company as per the provisions of the Companies Act, 1956. His appointment has been aligned with the new provisions of the Companies Act, 2013 and he has been appointed in the same position and designation as per the new provisions of the Companies Act, 2013. Mr. Amit Jalan is Chief Financial Officer and is inter alia looking after the core finance function of the Company. Mr. Nitesh Kumar is working in the capacity of Company Secretary and Compliance Officer.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Tenure of Mr. J.N. Dey and Mr. P. Kankrania end on 31st March, 2019 and Mrs. Sangeeta Upadhyay ends on 9th July, 2019. They are being appointed for second term of 5 years. This is as per Section 149(11).

No new Director or KMP has been appointed and resigned during the year.

TRANSFER TO RESERVES

Your Directors propose to transfer an amount of Rs. 5,209.13 Lacs standing in retained earnings and it is to be transferred to the General Reserve.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2018, being arm's length transactions have been reported in the financial statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company www.gallantt.com under the Investors Corner Link.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

All Related Party Transactions are placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Audit Committee and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The policy on Related Party Transactions as approved

by the Board of Directors has been uploaded on the website of the Company viz. www.gallantt.com. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

DISASSOCIATION OF SUBSIDIARIES AND DISPOSAL OF STAKE IN SUBSIDIARIES

Vide its Order dated January 08, 2018 Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited (all being Wholly Owned Subsidiaries of the Company) with the Company. Consequent upon amalgamation of these Wholly Owned Subsidiaries with the Company, these entities ceased to exist as Subsidiaries. Amalgamation Orders of Honorable Regional Director have been received on January 11, 2018 and the same were filed with the Registrar of Companies, West Bengal on January 13, 2018.

SCHEME OF AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES

At their meeting held on January 24, 2018, Board of Directors of the Company has approved the Scheme of Amalgamation of M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smelters and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited with the Company. All the transferor Companies are Wholly Owned Subsidiaries of the Company. Hence, as per the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company has filed Scheme of Amalgamation with the Registrar of Companies, West Bengal and Office of the Official Liquidator, Calcutta High Court for their Observation on the same.

Vide its Letter bearing reference no. ROC/LEGAL/233/2017/238 dated 25.04.2018, the office of Registrar of Companies, West Bengal has issued its observation with the following suggestions:

1. The share capital clause of the scheme shall include the class and category of company which enters into the scheme of amalgamation i.e. Holding and a Wholly Owned Subsidiary Companies.
2. The Scheme shall include the clause related to providing "transfer of charges", "purchase of share held by the descending shareholders/debtors, creditors, "cancellation or extinguish of shares on demerger", if applicable.

3. The Scheme shall include the clause related to providing Share Exchange Ratio between the Transferor Company and the Transferee Company, if applicable.
4. It appears that the transferee Company M/s. Gallantt Ispat Limited is a listed Company. Hence, necessary approval/suggestion as issued by the concerned regulatory authorities shall be made incorporated in the said Scheme. The Scheme may also include the Clause providing Compliance of Listing Regulation and SEBI Guidelines as applicable.
5. This Office has scrutinised the scheme of Amalgamation for its limited internal purpose / in-principle approval for deciding on the matter of Amalgamation of the transferors and transferee companies and it should not for any reason affects the interest of public.

The said suggestions were duly incorporated in the Scheme of Amalgamation.

Further, the Office of the Official Liquidator, High Court, Calcutta vide its letter bearing reference no. OL-Misc./Amalg/50/6266/G dated 13.02.2018 has given its Observation with following suggestions:

1. This Office has scrutinised the scheme of Amalgamation for its limited internal purpose / in-principle approval for deciding on the matter of Amalgamation of companies and it should not for any reason affects the interest of public.

In accordance with the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company have convened and held meeting of Equity Shareholders and Creditors of the Company on June 25, 2018.

Members and Creditors of the Company at their respective meetings held on June 15, 2018 have approved the Scheme of Amalgamation as above.

OUTLOOK AND EXPANSION

The recent trend in macro indicators clearly point towards improving fundamentals of the domestic economy. The Central Government has also shown its intent in furthering the reform momentum to revive investments and improve governance. The global commodity cycle is expected to be benign with consumption demand from the Chinese economy slowing down. Taking cues from the inflationary trend, the Reserve Bank of India has already eased the monetary cycle and is expected to bring out more interest rate cuts going forward. All this favorable factors coupled with some of the important developmental reforms that are being

pursued by the Central Government like the tax reform and push for infrastructure spending will set the stage for further pick-up in economic activity in 2017-18. This should augur well for your Company's business across infrastructure.

Expansion Project:

Your company plans to take the performance to the next level by modernization, installing high tech and time saving machinery and supportive systems, improving quality of work by employee training.

The expansion plan by further investment in installation of new capacities and technology upgradation and modern machinery for increasing the capacity of the existing Units are being implemented.

In terms of the sales and profitability targets for the coming years, Board of Directors of the Company proposed to modify the plant capacity as under:

Phase I Expansion:

Units	Unit	Existing Capacity	Proposed Addition in Capacity	Total Capacity After Addition
Captive Power	MW	18	35	53
DRI	MT	99000	198000	297000
Steel Melt Shop	MT	167400	162600	330000
Rolling Mill	MT	162380	167620	330000

PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. Industrial relations have remained harmonious throughout the year.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AWARD AND RECOGNITIONS

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

1. The Chairman of the Company Mr. C.P. Agrawal received a certificate from the State Government of U.P. awarding him with UDDAMI OF THE REGION Award.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2018 till the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company. However, after approval of the Scheme of Amalgamation as above all the assets and liabilities of the Transferor Companies shall be transferred to the Company.

Significant and material orders passed by the regulators / courts / tribunals impacting the going concern status and the Company's operations in future :

As such there is no significant and material order by the regulator/court/tribunals impacting the going concern status and the Company's operation in future.

GENERAL

- a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

CHANGE IN SHARE CAPITAL

As stated hereinabove Company has concluded amalgamation Eight Wholly Owned Subsidiaries with the Company. As per the Scheme of Amalgamation as sanctioned by Honorable Regional Director (ER), Ministry of Corporate Affairs, Authorised Share Capital of Company was enhanced with the outstanding Authorised Share Capital of Transferor Companies. Post amalgamation total Authorised Share Capital of the Company stood at ₹ 46,68,50,000/- (Rupees Forty Six Crores Sixty Eight Lacs Fifty Thousand only). Company has not allotted any fresh equity shares during the year. The Issued, Subscribed and Paid up Share Capital of the Company is ₹ 28,23,60,720/- (Rupees Twenty Eight Crores Twenty Three Lacs Sixty Thousand Seven Hundred and Twenty Only).

INTERNAL FINANCIAL CONTROLS

Your Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. Your Company had laid down guidelines, policies, procedures and structure for appropriate internal financial controls across the Company. These control processes enable

and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records

and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively. The Audit Committee evaluated the internal financial controls based on the following criteria:

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorisation. There are well-laid manuals for such general or specific authorisation.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

A report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 issued by M/s. Anoop Agarwal & Company, Chartered Accountants, Statutory Auditors of the Company is attached with their Independent Auditor's report and the same is self-explanatory.

Effective steps are taken by the Management to enable continuous monitoring of lead control indicators and action taken towards correcting identified gaps. Respective functions have been trained and equipped to enable continuous monitoring of exceptions by themselves to reduce surprises and enable corrective action on timely and regular basis.

Your Company has a robust financial closure self-certification mechanism wherein the line managers certify adherence to various accounting policies, accounting hygiene and accuracy of provisions and other estimates.

PARTICULARS OF LOANS/ADVANCES/ INVESTMENTS AS REQUIRED UNDER SCHEDULE V OF THE LISTING REGULATIONS

The details of related party disclosures with respect

to loans/advances/investments at the year end and maximum outstanding amount thereof during the year as required under Part A of Schedule V of the Listing Regulations have been provided in the notes to the Financial Statements of the Company.

FRAUD REPORTING

There have been no frauds reported by the Auditors of the Company to the Audit Committee or the Board of Directors under sub-section (12) of section 143 of the Companies Act, 2013 during the financial year.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the “Corporate Social Responsibility” (CSR) drive, the Company has undertaken projects in the area of Health, Education and rural development, eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company’s CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure – VIII** and forms an integral part of this Report. Apart from the CSR activities under the Companies Act, 2013, the Company continues to voluntarily support various social initiatives details of which have been given on this Report.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company’s policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

ORDER OF SEBI, NSE AND BSE LIMITED

Vide its order bearing no. SEBI/HO/ISD/OW/P/2017/18183 dated August 07, 2017 the Securities and Exchange Board of India (“SEBI”) has classified and included our Company amongst the list of suspected “331 Shell Companies” and shares of the Company were shifted to Graded Surveillance Measures (GSM) VI category with effect from August 08, 2017. As a result of such order the shares of the Company were restrictively traded since August 08, 2017.

Company has filed various documents and papers to the SEBI, National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) as per the required format justifying them that our Company does not fall under the Suspected Shell Companies category.

In the interest of the investors the Company on November 23, 2017 has preferred an Appeal before the Honorable Securities Appellate Tribunal (“SAT”) to set aside the order of SEBI as above and to normalize the trading in shares of the Company.

In this regard, the Honorable SAT after hearing the appeal on November 29, 2017 has disposed off the appeal by directing National Stock Exchange (NSE) to pass appropriate order within a period of six weeks from November 29, 2017 and the appeal as above was disposed of by Honorable SAT. During this period of six weeks an Independent Auditor appointed by NSE submitted its report on December 01, 2017 making few observations all of which were satisfactorily addressed by the Company. On December 15, 2017 NSE also granted an opportunity of personal hearing to the Company where the representatives of the Company submitted their representations and successfully answered to some queries raised by the Exchange officials.

Since SEBI vide its letter bearing no. SEBI/HO/ISD/ISD/OW/P/2017/26891 dated November 02, 2017 has delegated powers to stock exchanges to perform direct fact finding exercise and dispose of the representations received by them directly from the Company, NSE based on such powers conferred to it by SEBI has revoked the actions envisaged in SEBI’s letter dated August 07, 2017 and the consequential actions taken by National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) against Gallantt Ispat Limited, its promoters and directors.

Company no longer falls under the list of suspected “Shell Companies” and trading in shares normalized w.e.f. January 01, 2018. The Company placed on record its appreciation towards SEBI, NSE and BSE for revoking its earlier order dated August 07, 2017 regarding suspected shell Company.

MANDATORY UPDATE OF PAN AND BANK DETAILS AGAINST YOUR SHARE HOLDING

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios do not have/have incomplete details with respect to PAN and Bank Account particulars are mandatorily required to furnish these details to the Issuer Company/RTA for registration in the folio. As per the records of the Company, few Shareholders’ folio needs to be updated with the PAN / Complete Bank Account details so that the investments held by them are in compliance with the aforementioned circular.

Such Shareholders are hence requested to submit the following documents within 21 days of receipt of this communication:

- Enclosed Form duly filled in and signed by all the shareholders.
- Self-Attested Copy of Pan Card of all the shareholders,

- Cancelled Cheque Leaf with Name (if name is not printed on cheque - self-attested copy of first page of pass book) of all the shareholders and
- Address Proof (self-attested copy of Aadhaar-Card of all the shareholders)

TRANSFER OF SHARES COMPULSORILY IN DEMAT MODE

As per amended Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended vide SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, effective from December 5, 2018; securities of the listed companies can be transferred (except in case of transmission or transposition) only in the dematerialized form.

In case any of the Shareholders have any queries or need any assistance in this regard, please contact;

GALLANTT ISPAT LIMITED	Registrar & Share Transfer Agent
Regd-Office Address: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223 Kolkata – 700069. W.B.	Niche Technologies Pvt. Ltd. D-511, Bagree Market, 5 th Floor, 71, B.R.B. Basu Road, Kolkata - 700001 Tel.: (033) 2234-3576, (033) 2235-7270/7271 Email id: nichetechpl@nicetechpl.com Website: www.nichetechpl.com
Phones: 033-40642189 Email-id : nitesh@gallantt.com Website : www.gallantt.com	

SPLIT OF SHARES FROM FACE VALUE OF ₹ 10/- EACH TO FACE VALUE OF RE. 1/- EACH

In order to improve the liquidity of your Company's Equity Shares in the Stock Markets with higher floating stock in absolute numbers and to make them more affordable for the small retail investors to invest in the Company, Board of Directors of the Company at their meeting held on June 29, 2018 has proposed split of Shares of the Company from Face Value of ₹ 10/- each to Face Value of Re. 1/- each. At their meeting held on July 27, 2018 the shareholders of the Company through passed special resolution approved the proposal of the Board for the said split of Shares.

Company has fixed August 08, 2018 as the Record Date / Cut Off Date for determining the eligibility of shareholders to whom shares shall be credited after split of shares in the ratio of 10:1 meaning thereby that shareholders holding shares as on cut off date shall be credited 10 (ten) equity shares for every 1 (one) share held in the Company as on cut off date.

Old ISIN of the Company has been deactivated and in place new ISIN: INE528K01029 was activated by the depositories for the equity shares of the Company.

Shares have been successfully credited into the demat accounts of shareholders holding shares as on cut off date as above and shareholders holding shares in physical form were given fresh share certificates with new distinctive numbers.

ALTERATION OF 'CAPITAL CLAUSE' OF MEMORANDUM OF ASSOCIATION

Pursuant to the sub-division of face value of equity shares of the Company has altered the Capital Clause (Clause V) of the Memorandum of Association of the Company and Clause V of Memorandum of Association was altered and substituted with the a new Clause V to reflect the corresponding changes in the Authorised Share Capital.

Shareholders of the Company have approved such alteration in the Capital Clause of Memorandum of Association at their Extra-ordinary General Meeting held on July 27, 2018.

Post Split of Equity Shares as above Authorised Share Capital of the Company stood at ₹ 46,68,50,000/- (Rupees Forty Six Crores Sixty Eight Lacs Fifty Thousand only) divided into 46,68,50,000 (Forty Six Crores Sixty Eight Lacs Fifty Thousand only) Equity Shares of Re. 1/- each and the Issued, Subscribed and Paid up Share Capital of the Company is ₹ 28,23,60,720/- (Rupees Twenty Eight Crores Twenty Three Lacs Sixty Thousand Seven Hundred and Twenty Only) divided into 28,23,60,720 (Twenty Eight Crores Twenty Three Lacs Sixty Thousand Seven Hundred and Twenty Only) Equity Shares of Re. 1/- each fully paid up.

ACKNOWLEDGEMENT

The Board appreciates the commitment and dedication of its employees across all the levels who have contributed to the growth and sustained success of the Company. We would like to thank all our customers, vendors, bankers and other business associates for their continued support and encouragement during the year. We also thank the Government of India, Government of Uttar Pradesh and all Other Government Agencies for their support during the year and look forward to the same in the future.

Place: Gorakhpur
Date: August 13, 2018

On behalf of the Board
C. P. Agrawal
Chairman

ANNEXURE - I to the Directors Report

DIVIDEND DISTRIBUTION POLICY

1. Statutory Mandate

The Board of Directors (The 'Board') of Gallantt Ispat Limited ("the Company") has adopted the following Policy for Distribution of Dividend to the Shareholders of the Company.

2. Background

The Steel industry is a capital-intensive industry. Most units of the owned by the Company entails substantial capital outlays.

A large proportion of the financing of the Company is through equity capital. With a low level of borrowing in proportion to equity capital, the outlay on dividend forms a substantial part of the cost of capital. It is the Company's endeavour to maintain and pay dividend keeping market expectations in mind. The dividend paid as a proportion of earnings has been maintained accordingly.

The prevailing Governmental and geopolitical environment directly impacts profit in the steel industry. Infrastructural development, both domestic and foreign, depends on factors that are beyond the control of the Company. In the past, the need to meet the general investor's expectations of return on equity during the years of instability has resulted in a relatively reasonable payout ratio.

3. Policy

This Policy for Distribution of Dividend to Shareholders of the Company is framed in terms of Regulation 43 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations").

4. Dividend

The Board will finalise the dividend to be declared by the Company based on the above stated background while also considering the following:

Dividend will be declared once a year based on the profits as per the Audited Financial Statements for the year. The Board may declare an interim dividend after satisfying themselves about the distributable profit.

Normally, the Dividend will be declared out of the current year's profit of the Company, subject to the following:

- i) Company's need of Capital Expenditures/ Investment;
- ii) Cash Flow position.

Given that profits can be volatile, the Board will Endeavour to achieve stability, to the extent

feasible, in the quantum of Dividend paid to Shareholders.

Should the current year's profit be inadequate, the Board may, after considering the Carried Forward Balance in the Profit & Loss Account of the Company, declare dividend or declare dividend out of Reserves, as is permitted under the law.

As such, the Company may declare the Dividend out of:

- i) Current year's profit –
 - a) after providing for depreciation in accordance with Sub-section (2) of Section 123 of the Companies Act, 2013 ("Act") and
 - b) after transfer of such percentage of its profits for that Financial Year to reserves as may be required under the law and as the Board of Directors may deem fit; OR
- ii) Carried Forward Balance in the Profit & Loss Account; OR
- iii) Free Reserve as may be permitted under law; OR
- iv) A combination of (i), (ii) and (iii) above.

5. Factors to be considered for declaration of Dividend

- i) Capital Expenditure /Investment requirement of the Company for:
 - a) New projects;
 - b) Ongoing projects including expansion, renovation or modernisation etc.
 - c) Acquisition of major fixed assets including land and buildings;
 - d) Acquisition of any business entity etc.
- ii) Payment of any major liability;
- iii) Any other requirements for fund conservation;
- iv) Agreement with lending institutions.

6. Revision in the Policy

The Board of Directors will review the policy from time to time or when changes may be required.

7. General

All the words and expressions used in this Policy, unless defined hereinafter, shall have the meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

ANNEXURE - II to the Directors Report

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

Steps taken for conservation of energy:

Your Company continually taking necessary steps to absorb and adopt the latest technologies. These initiatives enable the facilities to become more efficient and productive as the company expands, thereby helps in energy conservation. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy Conservation continues to receive increased emphasis at all the units of the Company. 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. Additionally, constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings to transpire going forward.

The measures taken in all the Company's manufacturing units can be briefly enumerated as below:

- **Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Nil**
- **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.**
- **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	2017-18	2016-17
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Total Unit in Lacs KWH	370.25	503.66
Amount ₹ in Lacs	2,711.72	3,772.48
Rate Per Unit (₹)	7.32	7.49
(b) Own Generation		
Total Units in Lacs KWH	1,283.32	891.69
Amount ₹ In Lacs	8,342.62	5,845.50
Rate per Unit	6.50	6.56
2. Coal		
Quantity- M.T.	2,056,667.94	1,47,084.61
Total Cost- ₹ in Lacs	15,702.25	8,496.58
Average rate-₹ per M.T.	7,634.76	5,776.66
3. Furnace Oil		
Quantity (K. Ltrs.)	50.00	43.91
Total Cost (₹ Lacs)	16.68	12.75
Average Rate (₹ / K. Ltrs.)	33,366.48	29,028.40
B. Consumption per unit of production		
1. Electricity (Unit/M.T.)		
Agro	95.90	127.77
Sponge Iron	71.32	73.74
SMS (Furnace and Concast)	845.80	858.46
Rolling Mills	135.97	154.99
2. Coal		

Particulars	2017-18	2016-17
Power Plant (per 1000 KWH)	404.15	417.55
Rolling Mills (Kg/M.T.)	24.32	22.09
Sponge Iron (Kg/M.T.)	915.69	895.62

FORM –B**Disclosure of Particulars with respect to technology absorption****RESEARCH & DEVELOPMENT (R&D)****Specific areas in which R & D carried out by the Company**

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**1. Efforts, in brief, made towards technology absorption, adaptation etc.**

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

2. Benefits derived as a result of the above efforts

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to export, initiative taken to increase exports, development of new export markets for products and export plans - Nil**
- Total foreign exchange used and earned**

	2017-2018 (₹ in Lacs)	2016-2017 (₹ in Lacs)
Raw Materials	2,792.76	2,119.61
Stores, Chemical and Packaging Materials	13.33	23.21
Capital Goods	13.10	21.80
Earning in foreign currency	–	–

ANNEXURE - III to the Directors Report**Details of Top 10 Employees 2017-2018**

Sr.	Employee Name	Father Name	D.O.B	Age	Educational Qualification	Date of Joining	Salary	Last Employment	Designation	Department	Relation with Directors	Experience
1	KA VENDRA SINGH	SRI DHARAM SINGH	16/04/1975	43	BE MECHANICAL	21/07/2014	1006539	BAIRANG STEEL & POWER LTD	PROJECT MANAGER	PROJECTS	No	18
2	BRIJ MOHAN JOSHI	SRI L.K. JOSHI	1/11/1962	56	BSC	01/05/2009	1027118	Venkateshwar Flour Mill Pvt Ltd	GM PURCHASES	PURCHASES	No	31
3	SARBIJEET SINGH	SRI PAVARA SINGH	31/10/1964	53	DIPLOMA ELECTRICAL	17/07/2013	1030701	ELECTROTHERM INDIA LTD	MANAGER ELECTRICAL	SMS	No	27
4	MUSAFIR SINGH CHAUHAN	SRI PAHAL SINGH	01/03/1976	42	ITI FITTER	18/06/2009	1041165	FORTUNE METAL LTD	FOREMAN	ROLLING MILL	No	20
5	KRISHNA KANT GUPTA	SRI CHHOTELAL GUPTA	01/07/1969	48	MSC CHEMISTRY	06/11/2013	1043991	ABHIJEET INFRASTRUCTURE LTD	MANAGER LAB	POWER PLANT	No	20
6	ROHIT SARASWAT	SRI RADHE SHYAM	19/06/1984	34	MBA	24/05/2012	1065822	Reliance Capital Ltd	GM COMMERCIAL	PURCHASES	No	10
7	MAYANK AGRAWAL	SRI C.P.AGRawal	20/07/1984	34	BBA	01/05/2009	1200000	Govind Mills Ltd	CEO	ADMIN	Son of CMD	10
8	NITESH KUMAR	SRI ARJUN RAM	04/07/1978		CS	11/8/2008	1200000	Greenply Industries Limited	Management Trainee	COMPLIANCE	No	14
9	NARENDRA SINGH MOKAWAT	LATE SURJAN SINGH MOKAWAT	06/06/1964	54	BTECH MECHANICAL	10/03/2017	1227020	MONNET ISPAT & ENERGY LTD	AGM MECHANICAL	SPONGE IRON	No	25
10	AMIT KUMAR UPADHYAY	SRI TEJ BAHADUR UPADHYAY	01/01/1980	38	MBA MARKETING	01/01/2015	1243349	J.K. CEMENTS LIMITED	GM SALES & MARKETING	SALES & MARKETING	No	14

ANNEXURE - III to the Directors Report**MANAGERIAL REMUNERATION**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

- (a) ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Name	Designation	Ratio to median remuneration of employees
Chandra Prakash Agrawal	Chairman & Managing Director	10.80 : 1
Prem Prakash Agrawal	Whole-time Director	12.35 : 1
Santosh Kumar Agrawal	Director (Sales & Marketing)	10.80 : 1
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	10.80 : 1
Jyotirindra Nath Dey	Independent Director	N.A.*
Tarun Kumar Gupta	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*

*Except sitting fees, no remuneration is paid to the Non-executive Independent Director.

- (b) Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Name	Designation	% increase
Chandra Prakash Agrawal	Chairman & Managing Director	34.62%
Prem Prakash Agrawal	Whole-time Director	53.85%
Santosh Kumar Agrawal	Director (Sales & Marketing)	34.62%
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	34.62%
Jyotirindra Nath Dey	Independent Director	N.A.*
Rajesh Kumar Jain	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*
Mayank Agrawal	Chief Executive Officer	48.15%
Amit Jalan	Chief Financial Officer	37.88%
Nitesh Kumar	Company Secretary	33.33%

- (c) Percentage increase in the median remuneration of employees in the financial year: 49.22%

- (d) Number of permanent employees on the rolls of company: 431

- (e) Explanation on the relationship between average increase in remuneration and company performance:

The profit before tax for the financial year ended March 31, 2018 increased by 45.10% and the profit after tax for the financial year ended March 31, 2018 increased by 24.00%, whereas the increase in median remuneration is 49.22%. The average increase in median remuneration is in line with the performance of the company.

- (f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

The total remuneration of KMP increased by 25.00%, whereas the profit before tax increased by 45.10% and the profit after tax increased by 24.00%.

- (g) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last- financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

36.14% (Non-Managerial Personnel) and 0.00% (Managerial Personnel)

(h) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company;

Name	Designation	% increase	Comparison
Chandra Prakash Agrawal	Chairman & Managing Director	34.62%	The profit before tax for the financial year ended March 31, 2018 increased by 45.10% and the profit after tax for the financial year ended March 31, 2018 increased by 24.00%.
Prem Prakash Agrawal	Whole-time Director	53.850%	
Santosh Kumar Agrawal	Director (Sales & Marketing)	34.62%	
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	34.62%	
Mayank Agrawal	Chief Executive Officer	48.15%	
Amit Jalan	Chief Financial Officer	37.88%	
Nitesh Kumar	Company Secretary	33.33%	

(i) The key parameters for any variable component of remuneration availed by the directors;

Company's financial results, the performance of the business unit, individual performance, skills and competence, fulfillment of various improvement targets or the attainment of certain financial objectives.

(j) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; NIL

(k) We hereby affirm that the remuneration paid to the managerial and non-managerial personnel is as per the Remuneration Policy of the Company approved at the board meeting dated 30.05.2014.

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided in the Report.

ANNEXURE - IV to the Directors Report**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Forming part of the Report of the Directors for the year ended 31st March, 2018)

ECONOMY OVERVIEW AND DEVELOPMENT

The global economy has been gathering pace and is expected to accelerate from 3.2 per cent in 2016 to 3.7 per cent in 2018. World trade volume growth is projected to increase from 2.4 per cent in 2016 to 4.2 per cent and 4.0 per cent respectively in 2017 and 2018. Commodity prices (fuel and nonfuel) are also expected to grow in contrast to decline in the last few years. India's external sector has continued to be resilient and strong in 2017-18 so far and the balance of payments (BOP) situation continued to be comfortable. Current account deficit (CAD) was 1.8 per cent of GDP, merchandise exports grew by 12 per cent, net services receipts grew by 14.6 per cent, net foreign investment grew by 17.4 per cent, and external debt indicators improved in H1 of 2017-18.

Major global events during the year included the emerging economies, Mexico and Brazil in particular are expected to perform well, with Mexico benefiting from stronger US demand, and Brazil experiencing a firmer recovery. Europe, in particular, must not let its cyclical rebound lull it into complacency. Many European Union member states still need to reduce their government debt, and the euro zone needs to resolve its "zombie bank" crisis. The EU and the UK can agree on a reasonable Brexit deal that will preserve fairly strong trade relations. The main risk here is that localized declines in trade could spill over and cause broader harm. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protection is pressures.

INDIAN ECONOMY

After registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be 6.5 per cent in 2017-18, as per first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. In addition to the

introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms.

After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18. There was anaugmentation in the spot levels of foreign exchange reserves to close to US\$ 414 billion, as on 12th January 2018.

Concerns have been expressed about growing protectionist tendencies in some countries and it remains to be seen as to how the situation unfolds. Additionally, average crude oil (Indian basket) prices have risen by around 14 per cent so far in 2017-18 (mid-January 2018) vis-à-vis 2016-17. Going by the recent trends, the average crude oil prices could be in the vicinity of US\$ 56-57 per barrel in the current financial year and could rise further by another 10-15 per cent in 2018-19. Some of these factors could have dampening effect on GDP growth in the coming year. However, with world growth likely to witness moderate improvement in 2018, expectation of greater stability in GST, likely recovery in investment levels, and ongoing structural reforms, among others, should be supporting higher growth. On balance, country's economic performance should witness an improvement in 2018-19.

STEEL INDUSTRY IN INDIA

Steel is crucial to the development of any modern economy and is considered to be the back bone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

It is also one of the most important products of the modern world and of strategic importance to any industrial nation. From construction, industrial machinery to consumer products, steel finds its way into a wide variety of applications. It is also an industry with diverse technologies based on the nature and extent of raw materials used.

In, C.Y. 2018, India overtook Japan to become the second-largest steel producer in the world after China

in 2016, according to data released by the International Stainless-Steel Forum (ISSF). Notwithstanding the current challenges, Indian steel industry still has significant potential for growth, underscored by the fact that the per capita steel consumption in the country at 61 kg (incl. rural consumption at 10 kg) is much lower than the global average of 208 kg. Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives mainly, affordable housing, expansion of railway networks, development of domestic ship building industry, opening up of defense sector for private participation, and the anticipated growth in the automobile sector, are expected to create significant demand for steel in the country. Further, while the main focus of the industry is on the domestic market, being in close vicinity of the developed west and developing east, provides it strategic location that augurs well for the industry seeking opportunities for exports of finished goods and imports of some scarcely available raw materials.

Steel industry derives its demand from other important sectors like infrastructure, aviation, engineering, construction, automobile, pipes and tubes etc. with the Indian economy poised for its next wave of growth under the reforms being unleashed in the last one year, there lies tremendous opportunity for the Indian steel industry to prosper and grow exponentially. In India, steel has an output multiplier effect of nearly 1.4x on GDP and employment multiplier factor of 6.8X.

GLOBAL STEEL INDUSTRY:

Global steel industry posed for stable growth in 2018. As per reviewed commodities prices as they are likely to behave in F.Y. 2019. The available indications suggest a gradual downward trend in global prices of iron ore, coking coal and scrap from the current level. This sounds good for the steel industry which sees uplift on the demand front. The short-range outlook of WSA forecasts 1.8% growth in global steel consumption in 2018, led by India (5.5%), the US (2.7%), the EU (2.5%), Turkey (5%), Russia (2.1%) and South Korea (1%). China is also likely to consume similar volume of steel as in 2017.

As excess steel capacity was found to be the single phenomenon damaging the interests of the global steel producers during 2014-17 in terms of lowering the prices and thereby the profitability of the industry, China, having accounted for nearly 50% of the estimated surplus steel capacity, had to assure the outside world that its commitment to bring down the carbon footprint would entail elimination of some of the polluting units in steel, coal and cement. It had set a target of closing down 150 MT steel capacities during 2016-20. The record so far is good and it is likely that

China would overshoot the target by 2020.

Annual production for Asia was 1,162.5 Mt of crude steel in 2017, an increase of 5.4% compared to 2016. China's crude steel production in 2017 reached 831.7 Mt, up by 5.7% on 2016. China's share of world crude steel production increased from 49.0% in 2016 to 49.2% in 2017. Japan produced 104.7 Mt in 2017, down by -0.1% compared to 2016. India's crude steel production for 2017 was 101.4 Mt, up by 6.2% on 2016. South Korea produced 71.1 Mt of crude steel in 2017, an increase of 3.7% compared to 2016. The global market for steel in 2018 is poised for a stable growth for steel industry in terms of a reasonable margin and profitability for the industry sufficient to attract more investment for creation of fresh capacities in the product range where indigenous availability remains a constraint to cater to the emerging requirements of the critical sectors in the economy.

Global economy is projected to grow by 3.7% in calendar year 2018. The overall macro-economic situation looks far better than previous year. While Global steel Industry continue to grapple with over capacity, weak demand growth, dumping of steel at predatory price by some countries & volatile input prices, improving growth momentum in advanced & key emerging markets & broad basing trade remedial measures will provide stability to steel industry.

HIGHLIGHTS OF THE INDIAN STEEL INDUSTRY:

- 2nd largest producer of crude steel in the world CY 2017.
- 3rd largest consumer of finished steel in the world (2017)
- Producer of world-class steel of all major varieties and grades
- Strong economic foundation and reform centric policy approach are key factors, favoring growth of the domestic steel industry
- Domestic availability of raw materials such as iron ore and cost-effective labour 2017 was the year of reforms in the Indian steel industry. The timely remedial measures by the Indian Government, shielded the Indian steel sector from succumbing to external threats of dumping and uniform trade. Despite, the financial year 2016-17 threw up challenges in terms of tepid global consumption growth, trade remedial actions across countries and volatile raw material prices, steel prices recovered due to imposition of trade remedial across geographies and spike iron ore and coal prices providing relief to the steel industry.

On-going rapid urbanization in India is driving steel-intensive growth in the country. The Indian government

is investing heavily in infrastructure and has laid plans to boost domestic steel capacity to 300 MT per annum by 2030.

India with its stable government, strong reforms, rising infrastructure spend & robust consumption demand will provide a platform to reach per capita steel consumption of 160 kg & total steel capacity of 300 Million tons by 2030 as envisaged by National Steel Policy 2017. Also trade remedial measures taken by the Government of India will provide level playing field to this strategic industry to revive investment cycle & create employment opportunities.

The budgetary allocation of INR 4 trillion for infrastructure, water and gas pipelines, renewable energy and road sector should fuel enhanced economic activity, and as a result, steel demand. Together with this, a normal monsoon will also augur well for the economy. Therefore, we expect the steel industry to grow at 5- 6% over the medium term.

In the recent years, the steel industry, and the key raw material (iron ore and coal mining) industries have seen significant volatility. It happened largely due to a sharp fall in demand, an outcome of the global economic crisis.

Despite lack of momentum in the global economy, uninspiring demand growth in India and liquidity crunch following the Government's demonetization initiative, our company has fared better than the previous corresponding period.

NATIONAL STEEL POLICY 2017

The National Steel Policy (NSP) 2017, released by the Government, aims to increase steel production. Its objective is to make India self-sufficient in steel production and projects crude steel capacity of 300 million tones (MT) and per capita consumption of 160kg of finished steel by 2030-31. As a part of its focus area, the policy aims to address adequate local manufacturing to meet the demand for high-grade automotive steel, electrical steel, special steels and alloys for strategic applications by the same year.

(NSP) 2017 is also an effort to steer the industry to achieve its full potential, enhance steel production with focus on high end value added steel while being globally competitive. India's competitive advantage in steel production is driven, to a large extent, from the indigenous availability of high grade iron ore and non-coking coal – the two critical inputs of steel production. In addition, it also has a vast and rapidly growing market for steel, strong MSME sector and a relatively young work force with competitive labourcosts. Driven by the positive demand outlook and prevailing high prices of steel in the period post 2004, the Indian steel sector witnessed a wave of investments in many states

of India. Substantial new capacity was created and existing plants were modernized.

The core elements of NSP are the following:

1. Building a globally competitive steel industry with a crude steel capacity of 300 MT 2030.
2. Increasing the per capita steel consumption to 160 Kgs by 2030-31.
3. To domestically meet entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications by 2030-31.
4. Increase domestic availability of washed coking coal so as to reduce import dependence on coking coal to 50% by 2030-31.
5. To be net exporter of steel by 2025-26.
6. Encourage industry to be a world leader on energy and raw material efficient steel production by 2030- 31, in a safe and sustainable manner.
7. Develop and implement quality standards for domestic steel products.

OPERATIONAL AND FINANCIAL PERFORMANCE

AGRO INDUSTRY (WHEAT PRODUCTS)

Despite enormous potential for achieving more efficiency in modernizing agriculture

in India, the innovations in agriculture technologies and various emerging sub sectors are surging ahead with comparably very little progress in the capacities of the vast work force to match the developments.

More than 60% of India's population is dependent either directly or indirectly on agriculture and allied services. Still, there is major disparity between the urban and rural India in terms of social status, life style and Incomes. This leads to migration from rural areas to urban areas resulting in urban blight as well. In order to transform this scenario, we need to work towards improvement of farmer's life style and social status by increasing their income.

Company is operating in wheat products as well such as Flour, Maida, Suji, Bran etc. Going forward, with the easy availability of wheat for the next few years, increasing urbanization, and rising income levels, the demand for the wheat milling industry is expected to grow rapidly in the future. The Flour Mill unit of the Company is state of the art and using modern technology. The operations at this time were fairly simple. Increase in urbanization, income level of population and other related factors have 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. Company's products are established brand in these states.

Outlook:

The growth momentum should rise, driven by the Government's policy initiatives in areas such as taxation (GST), foreign direct investment (FDI), and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well-regulated monetary policy by the Reserve Bank to stabilize prices, and improving fiscal condition. The Government's endeavor to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms. The growth recovery has primarily happened due to discretionary spending, public investment and FDI reforms. The introduction of GST and higher outlays in the Budget 2017 are expected to drive growth as well. Looking at Indian government's focus on rapid infrastructural development across the country by constructing railways, roads, bridges, dams, airports, power plants and many more, construction is now growing at a fast pace.

Risk Management:

The objects of Risk Management are to ensure that it is adequately estimated and controlled to enhance shareholder as well as stakeholder's value. Risk is Omnipresent and it is pertinent to virtually all business activities though in varying degrees and forms. It is the constant endeavor of the company to identify, assess, prioritize and manage existing as well as emerging risks in a planned and cohesive manner.

Internal Control System & Adequacy:

The company has an adequate internal audit system that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The internal control systems have been designed in a way that they not only prevent fraud and misuse of company's resources but also protect shareholder's interest. The Audit committee of Board of Directors on regular intervals and in coordination with internal and statutory Auditors reviews the adequacy of internal control systems within the company.

Human Resources Management & Industrial relations:

The employees are considered by your company as its greatest asset and the company has created a work environment that ensures their well-being. The company encourages an environment of industrial goal setting, continuous improvement, health and safety awareness and corporate sustainability. The work-force of your company is an assortment of varied qualifications and experience in the domain of engineering, management and finance. Your company believes the contribution of the human assets also plays in the growth of the company.

OPPORTUNITIES

Iron and steel industry is the most potential industrial sector in India. And this is the backbone of Indian industry. Iron and steels are the major raw materials for at least nine other major industries. These are the automobile, automobile components, construction, defence manufacturing, electrical machinery, railways, renewable, thermal power, and oil and gas. In addition, there are thousands of ancillary industries depend on this main industry.

TMT bars are widely used in general purpose concrete reinforcement structures, bridges and flyovers, dams, thermal and hydel power plants, industrial structures, high-rise buildings, underground platforms in metro railway and rapid transport system. The Government's continued focus on infrastructure creation, manufacturing and rural development is expected to lead to an accelerated momentum in the investment cycle and steel demand. The main factors that lead to a significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in India especially in Uttar Pradesh, Bihar, Jharkhand and Delhi. The construction, automobile and manufacturing sectors will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel in the years to come. A competitive and efficient domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'.

Government measures such as the National Steel policy and extension of anti-dumping duty on steel products, imposition of quality standards are key facilitators for the growth of domestic steel sector in India. Additionally, the Government has earmarked Rs. 14.30 Lakh Crore towards infrastructure spending, which will also enhance steel demand in the domestic market.

THREATS AND RISKS

Steel is in excess capacity is a well established fact and demand is low worldwide. Selling the products of the Company at a margin is a no doubt a challenge in the present business scenario. Further, the growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore, coal and cost-effective labour.

Over the past few years, the global steel industry has been reeling under the pressure of over capacities, especially on account of those existing in China. With the growth in steel consumption slowing down in China in recent times, the Chinese steel producers have had no option but to rely on exports. This in turn has had an impact on high growth centres of steel consumption in "steel-non-mature" nations such as India.

The Indian Steel Industry continues to grapple with uncertainties pertaining to the availability and consistent supplies of raw materials i.e. both coal and iron ore still remain a challenge, with recent closure of mines in Goa adding to the woes of the industry. Even though the marked shift from an allocation process to an auction process of getting mining blocks has brought about considerable transparency; issues pertaining to transport logistics from the mining areas need to be sorted out to mitigate lag in evacuation of iron ore, coal and other minerals. Indian Steel Association has identified that “handholding” from the various state governments in such matters is very essential and has embarked upon bringing such issues to the attention of state government authorities, beginning with Odisha. Additionally, the resolution process of debt ridden steel companies currently underway at the NCLT shall necessitate a marked change in the structure of the industry.

Despite business challenges, our consistent endeavour has been to improve the efficiency of our plants. Our objective is to remain competitive, maintain a lean cost structure and create long-term value for our stakeholders. The Company has a robust risk management process. The Company’s risk management process involves periodic identification of risks likely to affect the business adversely, rating the risks on their impact and likelihood, preparation of risk heat map, implementation of risk mitigation plans by the risk owners and continuous monitoring of the mitigation

plans by the senior leadership team. The Company has identified risks in the areas of sales, supply chain, finance, regulatory, operations, projects and industrial relations for all the businesses like steel, agro and real estate and accordingly developed mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks being playing out. Risk and concern has been elaborated in the Corporate Governance Report.

CAUTIONARY STATEMENT

Statements made in Management Discussion and Analysis Report describing the Company’s objectives, estimates, expectations or predictions are “Forward looking Statement” within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operation include global and Indian demand- supply condition, raw material availability, trained manpower, changes in Government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other incidental factors.

For and on behalf of the Board

Place: Gorakhpur

Date: August 13, 2018

C. P. Agrawal

Chairman

ANNEXURE - V to the Directors Report**Nomination and Remuneration Policy****BACKGROUND**

The objective of Gallantt Ispat's remuneration policy is to attract, motivate and retain qualified and expert individuals that the company needs in order to achieve its strategic and operational objectives, whilst acknowledging the societal context around remuneration and recognizing the interests of Gallantt Ispat's stakeholders.

BRIEF OVERVIEW UNDER COMPANIES ACT 2013

(Section 178 & Companies [Meetings of Board and its Powers] Rules 2014)

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that:—
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Such policy shall be disclosed in the Board's report.

BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT**IV. Nomination and Remuneration Committee**

- A. The company shall set up a Nomination and Remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.
- B. The role of the committee shall, inter-alia, include the following:
 - _ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - _ Formulation of criteria for evaluation of Independent Directors and the Board;
 - _ Devising a policy on Board diversity;
 - _ Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY

- The Company has constituted a Nomination and Remuneration Committee of the Board of Directors (Board).
- At present half of the Board is consisted of Non-Executive Independent Directors The Executive Chairman & Managing Director (CMD) draws remuneration from the Company and he also occupies the same position on the Board of Gallantt Metal Limited and is remunerated by Gallantt Metal Limited only.
- Key Managerial Personnel (KMP) consists of Chief Executive Officer (CEO), all executive directors and Chief Financial Officer and Company Secretary who are employees.

TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of

related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/ Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

CRITERIA FOR DETERMINING THE FOLLOWING

Qualifications for appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their steel/ power/ infrastructure/ engineering/ agro industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the steel/ power/ infrastructure/ engineering/ agro industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the Listing Agreement as amended from time to time.

Criteria for appointment of KMP/Senior Management:

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weight age to arrive at a competitive quantum of remuneration.

- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered :
 - Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources.
 - Ensuring tax efficient remuneration structures.
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

ANNEXURE - VI to the Directors Report

Corporate Social Responsibility Policy

[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013]

CONCEPT & CONTEXT

The purpose of this policy is to ensure Gallantt Ispat Limited ("GIL" or the "Company"), affiliates and associated companies; consistently operate in a manner that minimises detrimental impacts to society and the environment. Corporate Social Responsibility (CSR) has always been on the agenda of the Company. Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having New Worth of ₹ 500 Crores or more or Turnover of ₹ 1,000 Crore or more or Net Profit of ₹ 5 Crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and CSR Committee shall formulate and recommend Policy. The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board of Directors (the "Board") of Gallantt Ispat Limited acting upon the recommendation of its Directors and CSR Committee, has adopted the following policy and procedures with regard to the Company's Social Responsibility:

CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

GIL's continual aspirations to achieve and surpass the highest standards of conduct and corporate social responsibility are essential components of how we measure our success. GIL strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. This policy clearly sets forth GIL's social responsibility objectives and provides guidance on the social responsibilities of all individuals associated with the GIL. GIL's primary responsibility is to ensure the long-term success of the Gallantt Group through the adoption and management of good corporate social behaviour.

OBJECTIVES OF THE POLICY

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. The Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia provide the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in

letter and spirit through appropriate procedures and reporting.

- Creating opportunities for employees to participate in socially responsible initiatives.

DEFINITIONS

"Act" means the Companies Act, 2013;

"Corporate Social Responsibility" means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014;

"Ministry" means the Ministry of Corporate Affairs;

"Net Profit" means net profit as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

- any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

The policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of

historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;

- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

AREA OF ACTIVITY

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in the State of Uttar Pradesh, Bihar, West Bengal and such other state(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

FUNDING AND QUANTUM OF AMOUNT FOR CSR

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The corpus would thus include 2% of average net profits, as aforesaid, any income arising therefrom and surplus arising out of CSR activities.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

THE PROCESS TO MONITOR SUCH PROJECTS OR PROGRAMS

The CSR Committee of the Board of Directors of the Company shall approve to the Board of Directors the projects and activities to be undertaken by the

Company out of the activities stated hereinabove as per Schedule VII of the Companies Act, 2013.

The CSR Committee shall recommend from time to time the amount of expenditure to be incurred on the activities referred to hereinabove and to monitor the Corporate Social Responsibility Policy of the company from time to time.

The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities to be undertaken by the Company. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and the same will be available to the Board of Directors of the Company.

Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.

The CSR Committee and persons / entities authorised by it will conduct the due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

THE PROCEDURES

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilised CSR allocation of a particular year will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature. Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount.
2. Annexure III contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.
3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

PLANNING AND IMPLEMENTATION

- For the purpose of focusing its efforts in a continued and effective, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.

- A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/ sectors chosen and implementation schedules for the same.
- Identification of projects and the executing agency/NGO will be made, inter alia, by assessing the following:
 1. Project Objectives
 2. Baseline Survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
 3. Implementation Schedules – Timelines for milestones of the project will need to be prescribed and agreed upon.
 4. Responsibilities and authorities.
 5. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
 - If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided to it;
 - b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
 - The Company may also conduct/ implement its CSR programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner(s)'.
 - Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
 - Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.
- CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and /or through CSR Partner(s).
- While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
 - i. The CSR Partner(s) has a permanent office/address in India;
 - ii. The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programmes or projects in pursuance with the relevant regulations;
 - iii. Possesses a valid income-tax Exemption Certificate
 - iv. The antecedents of the CSR Partner are verifiable
 - v. Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters.
 - vi. Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with GIL as agreed mutually.

REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months / such other intervals as deemed fit.

The Company will report in the prescribed format, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April, 2014.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of CSR Committee can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

ANNEXURE - VII to the Directors Report**ANNUAL REPORT ON CSR ACTIVITIES**

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website www.gallantt.com
2. Composition of the CSR Committee : Mr. Jyotirindra Nath Dey, Chairman, Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal
3. Average net profit of the Company for the last three financial years: ₹ 3,524.99 Lacs.
4. Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 70.50 Lacs.
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year : ₹ 72.00 Lacs
 - b) Amount unspent, if any,: NIL
 - c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	The company is promoting Education Services for economically weaker sections through GALLANTT FOUNDATION TRUST)	Promoting Education etc.	Programme is undertaken in the local area where plant of the company is located	An amount of ₹ 72.00 Lacs has been paid for the educational programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 72.00 Lacs	209.00 Lacs*	Amount has been contributed to the following implementing agency: GALLANTT FOUNDATION (TRUST) for the Financial Year 2017-18. Bargadwa, Vikas Nagar, Gorakhpur, Uttar Pradesh - 273001. India.

This cumulative expenditure of ₹ 209 Lacs includes contribution of ₹ 72.00 Lacs on CSR activities during last financial years 2014-15, 2015-16 and 2016-17.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount : Company has contributed the amount for the project but the amount is being spent by the Trust. However, the CSR Committee is monitoring the entire process.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For CSR Committee, GALLANTT ISPAT LIMITED

Jyotirindra Nath Dey

Chairman of CSR Committee & Director

(DIN: 00180925)

Place: Gorakhpur

Date: 13.08.2018

ANNEXURE - VIII to the Directors Report**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

To

The Members,

GALLANTT ISPAT LIMITED,

1, Crooked Lane, Second Floor,

Room Nos. 222 & 223,

Kolkata – 700 069.

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gallantt Ispat Limited [CIN: L27109WB2005PLC101650] (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2018, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2018 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Applicable provisions of Foreign Exchange Management Act, 1999 and the Rules and

Regulations made thereunder.

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (d) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 (to the extent applicable)
- (vi) Other Laws specifically applicable to the Company as under:
 1. The Air (Prevention and Control of Pollution) Act, 1981
 2. The Water (Prevention and Control of Pollution) Act, 1974
 3. The Environment (Protection) Act, 1986
 4. The Factories Act, 1948
 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 6. Employees' State Insurance Act, 1948
 7. Equal Remuneration Act, 1976
 8. The Minimum Wages Act, 1948
 9. The Payment of Wages Act, 1936
 10. The Payment of Bonus Act, 1965
 11. The Legal Metrology Act, 2009
 12. The Maternity Benefit Act, 1961 and
 13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (vi) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system

prevailing in the Company and on the basis of representation received from its concerned department:

- (a) Mines and Minerals (Development Regulation) Act, 1957 and other Acts/ Rules as applicable to Mining activities;
- (b) The Electricity Act, 2003 and rules issued thereunder;
- (c) National Tariff Policy;
- (d) Indian Boilers Act. 1923 and rules issued thereunder;
- (e) Explosives Act, 1884 and rules issued thereunder;
- (f) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- (g) Applicable Labour laws and rules issued thereunder;
- (h) Applicable Environment laws and rules issued thereunder;
- (i) Applicable direct & indirect tax laws and rules issued thereunder;
- (j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

We further report that there is scope to improve the systems and processes in the Company and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the audit period there were no instances of:

- i. Public/Right/Preferential issue of shares /

debentures/sweat equity;

- ii. Redemption / buy-back of securities;

- iii. Foreign technical collaborations.

We further report that during the audit period:

- i. Eight Wholly Owned Subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited amalgamated with the Company. Since, entire shareholding of these eight Wholly Owned Subsidiaries was held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director- ER) the Authorised Share Capital of these Wholly Owned Subsidiaries clubbed/merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at Rs. 46,68,50,000/-
- ii. Company has acquired four Wholly Owned Subsidiaries viz. M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smelters and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited. In accordance with the provisions of Section 233 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 Board of Directors as well as shareholders of the Company have approved amalgamation of these four Wholly Owned Subsidiaries with the Company.

We further report that during the audit year the Company has sought the approval of its members for at the Extra-ordinary General Meetings:

- Amalgamation of Wholly Owned Subsidiaries with the Company.
- Split of Shares from face value of Rs. 10/- each to face value of Re. 1/- each.
- Pursuant to the sub-division of face value of equity shares of the Company has altered the Capital Clause (Clause V) of the Memorandum of Association of the Company

We further report that our Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Place: Gorakhpur
Date: 13.08.2018

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To

The Members,

GALLANTT ISPAT LIMITED

Our report of even date is to be read along with this supplementary testimony.

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.

- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.
- g. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.

Place: Gorakhpur
Date: 13.08.2017

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

ANNEXURE - IX to the Directors Report

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Lakhs)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turn over	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of share holding
1	Bhavika Smelters And Food Products Pvt. Ltd.	NA	NA	100.30	4865.93	4966.33	0.10	Nil	1.73	0.072	0.053	0.019	Nil	100%
2	Shrinu Rolls & Milling Pvt. Ltd.	NA	NA	26.00	4974.89	5000.93	0.039	Nil	1.42	0.042	0.018	0.024	Nil	100%
3	Satlaj Rolls & Milling Pvt. Ltd.	NA	NA	98.53	4780.50	4879.09	0.06	Nil	0.88	0.036	0.026	0.010	Nil	100%
4	Antakmukh Steel Manufacturer Pvt. Ltd.	NA	NA	93.79	4546.21	4640.10	0.10	Nil	1.72	0.066	0.053	0.01	Nil	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate	Gallantt Metal Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate held by the company on 31.03.2018	
No.	3,94,62,895
Amount of Investment in Associate (₹ In Lacs)	4,267.98
Extend of Holding %	48.53%
3. Description of how there is significant influence	By way of Ownership
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	(₹ In Lacs) 15,903.55
6. Profit / Loss for the year	(₹ In Lacs) 4,929.97
i. Considered in Consolidation	(₹ In Lacs) 2,392.34

As per our report of even date
For ANOOP AGARWAL & CO.
Chartered Accountants
FRN. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date : 13.08.2018

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial officer

(Nitesh Kumar)
Company Secretary

ANNEXURE - X to the Directors Report**BUSINESS RESPONSIBILITY STATEMENT****(Part of the Directors Report) Annual Report 2017-18****SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L27109WB2005PLC101650
2.	Name of the Company	GALLANTT ISPAT LIMITED
3.	Registered address	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069.
4.	Website	www.gallantt.com
5.	E-mail id	nitesh@gallantt.com
6.	Financial Year reported	2017-18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Steel, Power, Agro and Real Estate
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Steel, Power, Agro and Real Estate
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Only one plant of Steel and Agro Unit is located at "Plot No. AL-5, Sector – 23, Gorakhpur Industrial Development Authority (GIDA), Sahjanwa, Gorakhpur, Uttar Pradesh". Registered Office at 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069. Also, Company has real estate project located at Mahanagar, Lucknow, Uttar Pradesh.
10.	Markets served by the Company – Local/State/National/International	Local/State/National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	28,23,60,720/-
Total Turnover (INR)	586,88,23,114/-
Total profit after taxes (INR)	53,61,80,446/-
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer annexure to the Board Report regarding CSR
List of activities in which expenditure in 4 above has been incurred.	Please refer annexure to the Board Report regarding CSR

SECTION C : OTHER DETAILS

Does the Company have any Subsidiary Company/Companies?	Yes
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR**

DIN Number (if applicable)	Yes
Name	Chandra Prakash Agrawal
Designation	Managing Director
Telephone number	03340642189
e-mail id	secretary@gallantt.com

2. Details of BR Head

DIN Number (if applicable)	Yes
Name	Chandra Prakash Agrawal
Designation	Managing Director
Telephone number	03340642189
e-mail id	secretary@gallantt.com

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies (Reply in Y/N)

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the various principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.gallantt.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR

- The Board of Directors of your Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter or on certain interval to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.
- Your Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is also uploaded on the website of the Company – www.gallantt.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Ethics, transparency and accountability are the three basic pillars on which the compliance eco-system of your Company is built. The compliance management system has been designed in such a way that it not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at the grass root level within the organization. In the present times when governance is looked upon as a critical aspect of sustainability, we believe, our compliance management systems play a significant role in ensuring good corporate governance. All internal stakeholders of the Gallantt Ispat Limited are subjected to work within boundaries of the Code of Conduct.

1. Under this principle, the Company has the following Policies :

- a. **Whistle Blower Policy** – to provide an avenue for directors and employees to inform about any wrongdoing in the company and reassurance that they will be protected from reprisals or victimization for whistle blowing.
- b. **Policy for Determining Materiality of Events and Information** - The objective of this Policy is: (a) to ensure disclosure of any event or information which, pursuant to SEBI regulations is material, (b) to determine whether an event or information is material or not, and (c) to ensure timely, accurate, uniform and transparent disclosure.
- c. **Code of Conduct for Directors & Senior Management** – to ensure, inter-alia, protection of confidential information, preventing conflict of interest, ensuring that anti-bribery and corruption laws are complied with, and ensure compliance with all the applicable laws, regulations and Company's policies.
- d. **Company's Code of Conduct on (prevention of) Insider Trading** – to prevent insider trading and protect of price sensitive information.
- e. Policy on prevention of sexual harassment.

These policies cover the Company, subsidiaries.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company has not received complaint from shareholders which has been resolved.

PRINCIPLE 2

PRODUCT LIFE CYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Our operations have carried out significant test work on the physical and chemical characteristics of their products to ensure their properties and potential impacts. Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment. Your Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. Your Company take initiatives to improve awareness about legal compliances, enhance ecofriendly efficiencies, packaging / logistics improvements at the suppliers end. Supplier and transporter meets are held on a periodical basis where your Company engages and encourages them to undertake sustainable practices across supply chain.

We are conscious that extraction of natural resources gives rise to negative environmental impacts, from gas and particulate emissions and hazardous waste; to water extraction and landscape modification. To this end, we manage our footprint to the most stringent global standards throughout the project life cycle.

Our three major products are Sponge Iron, Re-Rolled Products and Agro Products. We make all efforts to ensure that we produce, in a safe and environmentally responsible manner. Over the years, we have constantly improved

our recoveries, reduced hazardous waste generation, improved water and energy consumption and reduced our tailings to optimally use available natural resources.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our product movements to consumers take place through rail and roadways. The environmental impacts like dust emission during transportation of coal, iron ore, lime etc., final products and road dust etc. have been identified. All safety and environmental protocols are followed and proper training is provided for handling. At material handling areas for coal and iron ore, new technologies are installed with proper water sprinklers.

Ore transport from the railways to the factory point is carried out through trucks with properly covered to ensure no spillage and dust generation.

The Company has adopted Green Logistics Process in the entire supply chain using re-useable trolleys, bins and pallets thereby significantly eliminating use of packaging materials.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources its major inputs like Iron Ore and Coal from large national and international manufacturers/sellers. For Agro Division we procure inputs (Wheat etc.) from local market. Going forward, we will make further efforts to increase local sourcing. Our direct & indirect employment as also our CSR activities are largely focused on the communities surrounding our operations.

Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our primary activities are in the producing of steel and agro products as well as power generation using well established processes and technologies. Our focus on best available technology helps us to produce these products using efficient energy consumption and maximum product output.

Our main priority is to reduce both the quantity and toxicity of our waste, followed by recovery, reuse and recycling. Waste heat of Sponge Iron plant is recycled to generate power. Waste of steel plants and residual files are sold and disposed in land filling. Furnace slag are sold to buyers, they use these in road construction, land leveling and in the abrasive and cement industries. Fly ash from our power plants was sent to nearby cement and brick manufacturing units together with land leveling. Wastage of Agro Products (Wheat) are sold to be used in feeding animals.

PRINCIPLE 3 :

EMPLOYEE WELL-BEING

Our employees are our key asset and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses.

We are committed to providing our employees with a safe and healthy work Environment. Through a high degree of engagement and empowerment we enable them to realise their full potential, creating a high performance work culture.

1.	Please indicate the Total number of employees	431
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	Nil
3.	Please indicate the Number of permanent women employees.	6 (included in above 1)
4.	Please indicate the Number of permanent employees with disabilities.	Nil
5.	Do you have an employee association that is recognized by management?	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable

7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received in the last financial year.
	8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	100% employees (In-house/on the Job Training) 100% employees (In-house/on the Job Training) 100% employees (In-house/on the Job Training) Not applicable

PRINCIPLE 4 :**STAKEHOLDER ENGAGEMENT****1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes. The Company has identified investors, shareholders, employees, labour unions, local communities, civil societies, NGOs, legal institutions, trade associations, media, suppliers, business partners, customers, dealers, government, regulators and competitors as its key stakeholder groups. Engagement responsibility for each stakeholder group is entrusted with specific teams in the Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, Gallantt Ispat Limited has identified disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company undertook activities to improve the lives of vulnerable stakeholder groups. Few such activities are listed below:

Stakeholder group	Description
Elderly	Health camps
Differently bled individuals	Providing children with special needs a platform to access community-based rehabilitation services • Counselling for families and parents • Camps for raising awareness
Tribal people	Health services to the weaker section of the society – Development oriented activities, with focused initiatives for women, children and marginal dairy farmers
Migrant workers	Awareness on health related issues and sanitation

Principle 5 :**Human Rights****1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Gallantt Ispat Limited has zero tolerance for discrimination based on any grounds. All its business partners (Suppliers, Contractors, NGOs) are contractually obliged to respect human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Gallantt Ispat Limited has received no such complaint pertaining to sexual harassment during the reporting year 2017-18.

Principle 6 : Environmental**1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/ others?**

The company does not have a specific environment policy. Many facets of respecting and protects environment are embedded in the company's operations as also its products. These have been covered above.

2. Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.

To minimise the environmental impacts of its products, the Company continuously improves products in terms of fuel efficiency, material use and recyclability.

3. Potential environmental risks

Potential environmental risks are identified as a part of the Company's risk management identification process and this feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No such project.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Not undertaken.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, all emission/waste generated by the Company are within the permissible limits given by CPCB/SPCB in 2017-18.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause notices from SPCB or CPCB are pending as at end of the financial year 2016-17.

Principle 7: Policy Advocacy

1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

Yes, Gallantt Ispat Limited is a member of 2 industrial and trade bodies. The Company is most actively engaged with the following :

- a. Chamber of Industries, Gorakhpur
- b. Indian Industries Association, Lucknow

2. Advocating through above associations for the advancement or improvement of public good Yes, Gallantt Ispat Limited is actively involved in the following areas for advocating public good:

- Energy and Raw Material Security
- Sustainable Business principles
- Governance
- Safety and Skill Development
- Economic Reforms

PRINCIPLE 8 : BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Specified programmes/initiatives/projects in pursuit of the policy related to Principle 8.

The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes.

The Company has aligned its CSR programmes with the requirements of the Companies Act 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board. The CSR programmes are clearly mentioned in the CSR policy.

2. The CSR programmes of the Company are overseen largely NGOs. However, it is being planned to do the same by in-house teams and wherever need arise in future services of NGO partners and other agencies will be taken subject to their expertise.

3. The CSR programmes and their impacts/ outcomes are monitored and reviewed by the management periodically as also by the CSR committee of the Board.

4. Details on the Company's CSR programmes on community development have been shared in the Directors Report.

The Company is socially committed to focus these areas:

- a. Education
- b. Health, Nutrition and Sanitation
- c. Need Based Community Infrastructure Development

5. **Steps taken to ensure that this community development initiative is successfully adopted by the community**

To ensure successful implementation of community development programmes in collaboration with community members, the Company adopts following approach :

- a. Rapport building with community leaders and opinion makers
- b. Project identification in association with community members
- c. Involvement of community members in project implementation
- d. Maintaining continuous and close interaction with community members through field teams

PRINCIPLE 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year**

Effective redressal mechanism is in place for addressing customer complaints and handling consumer cases. This is periodically reviewed by management team as well. The number of such cases is insignificant in comparison to the number of customers in fold. No customer complaints are pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The customers have access to the Company website which provides host of information on products.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

No case has been filed by stakeholders against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during the last five years. Therefore, no such cases remain pending as on the end of the financial year 2017-18.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

Yes, the Company carries out customer satisfaction surveys to understand customer concerns and emerging trends. Gallantt Ispat Limited's sales team also interacts with specific customer groups like architects and auto companies, among others to address their specific needs.

On behalf of the Board

Place : Gorakhpur
Date : August 13, 2018

C. P. Agrawal
Chairman

ANNEXURE - XI to the Directors Report**FORM NO. MGT-9**

Extract of Annual Return as on the financial period ended on 31st March 2018.
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S.N.	CIN	L27109WB2005PLC101650
1	Registration Date	11/02/2005
2	Name of the Company	GALLANTT ISPAT LIMITED
3	Category /Sub-Category of the Company	Public Company limited by Shares/Indian Non-Government Company
4	Address	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069. Telefax: 033-40642189
5	Whether listed Company	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of Main Product /Services	NIC Code of the Product	% to total turnover of the Company
1.	Steel	2410	74.14
2.	Agro	1061	11.66
3.	Power	3510	12.42

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1.	Antarmukh Steel Manufacturer Private Limited	U27100WB2010PTC144100	Holding	100	Section 2(87) of the Companies Act, 2013
2.	Bhavika Smeltors and Food Products Private Limited	U27100WB2009PTC133963	Holding	100	Section 2(87) of the Companies Act
3.	Shrinu Rolls and Milling Private Limited	U27100WB2009PTC132909	Holding	100	Section 2(87) of the Companies Act
4.	Satlaj Rolls and Milling Private Limited	U27100WB2010PTC144257	Holding	100	Section 2(87) of the Companies Act
5.	Gallantt Metal Limited	L27109WB2005PLC101553	Associate	48.53	Section 2(6) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A. Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	PROMOTERS									
(1)	Indian									
	a) Individual / HUF	10845378	0	10845378	38.410	10845378	0	10845378	38.410	0.000
	b) Central Government									
	c) State Government									
	d) Bodies Corporate	7251992	0	7251992	25.683	7251992	0	7251992	25.683	0.000
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	18097370	0	18097370	64.093	18097370	0	18097370	64.093	0.000
(2)	Foreign									
	a) NRIs - Individuals									
	b) Other - Individuals									
	c) Bodies Corporate									
	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	18097370	0	18097370	64.093	18097370	0	18097370	64.093	0.000
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks / Financial Institutions	201	0	201	0.001					-0.001
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)									
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	FPI - Corporate Cat-II	44347	0	44347	0.157	103	0	103	0.000	-0.157
	Sub-total (B)(1)	44548	0	44548	0.158	103	0	103	0.000	-0.158
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	9086805	0	9086805	32.182	9314346	0	9314346	32.987	0.805
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	92758	7	92765	0.329	440902	7	440909	1.562	1.233

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1	184998	0	184998	0.655	321336	0	321336	1.138	0.483
c) Others Specify									
1. NRI	714905	0	714905	2.532	9755	0	9755	0.035	-2.497
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	14681	0	14681	0.052	52253	0	52253	0.185	0.133
5. Trusts									
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	10094147	7	10094154	35.749	10138592	7	10138599	35.907	0.158
Total Public Shareholding (B) = (B)(1)+(B)(2)	10138695	7	10138702	35.907	10138695	7	10138702	35.907	0.000
C. Shares held by Custodian for GDRs & ADRs									
GRAND TOTAL (A+B+C)	28236065	7	28236072	100.000	28236065	7	28236072	100.000	0.000

B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ASHUTOSH AGARWAL	262167	0.928	0.000	262167	0.928	0.000	0.000
2	CHANDNI AGRAWAL	12083	0.043	0.000	12083	0.043	0.000	0.000
3	CHANDRA PRAKASH AGARWAL	5234004	18.537	0.000	5234004	18.537	0.000	0.000
4	CHANDRA PRAKASH AGRAWAL HUF	761250	2.696	0.000	761250	2.696	0.000	0.000
5	GALLANTT METAL LIMITED	7251992	25.683	0.000	7251992	25.683	0.000	0.000
6	MADHU AGARWAL	352145	1.247	0.000	352145	1.247	0.000	0.000
7	MAYANK AGARWAL	692937	2.454	0.000	692937	2.454	0.000	0.000
8	NITIN MAHAVIR KANDOI	47500	0.168	0.000	47500	0.168	0.000	0.000
9	PREM PRAKASH AGARWAL	314303	1.113	0.000	314303	1.113	0.000	0.000
10	PREM PRAKASH AGRAWAL HUF	596935	2.114	0.000	596935	2.114	0.000	0.000
11	SANTOSH KUMAR AGARWAL	219708	0.778	0.000	219708	0.778	0.000	0.000
12	SANTOSH KUMAR AGRAWAL HUF	596717	2.113	0.000	596717	2.113	0.000	0.000
13	SHYAMA AGRAWAL	535303	1.896	0.000	535303	1.896	0.000	0.000
14	SMRITI AGARWAL	80745	0.286	0.000	80745	0.286	0.000	0.000
15	UMA AGARWAL	1139581	4.036	0.000	1139581	4.036	0.000	0.000
	TOTAL	18097370	64.093	0.000	18097370	64.093	0.000	0.000

C. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHUTOSH AGARWAL				
	a) At the Beginning of the Year	262167	0.928		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			262167	0.928
2	CHANDNI AGRAWAL				
	a) At the Beginning of the Year	12083	0.043		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			12083	0.043
3	CHANDRA PRAKASH AGARWAL				
	a) At the Beginning of the Year	5234004	18.537		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5234004	18.537
4	CHANDRA PRAKASH AGRAWAL HUF				
	a) At the Beginning of the Year	761250	2.696		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			761250	2.696
5	GALLANTT METAL LIMITED				
	a) At the Beginning of the Year	7251992	25.683		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			7251992	25.683
6	MADHU AGARWAL				
	a) At the Beginning of the Year	352145	1.247		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			352145	1.247
7	MAYANK AGARWAL				
	a) At the Beginning of the Year	692937	2.454		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			692937	2.454
8	NITIN MAHAVIR KANDOI				
	a) At the Beginning of the Year	47500	0.168		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			47500	0.168
9	PREM PRAKASH AGARWAL				
	a) At the Beginning of the Year	314303	1.113		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			314303	1.113
10	PREM PRAKASH AGRAWAL HUF				
	a) At the Beginning of the Year	596935	2.114		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			596935	2.114
11	SANTOSH KUMAR AGARWAL				
	a) At the Beginning of the Year	219708	0.778		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			219708	0.778
12	SANTOSH KUMAR AGRAWAL HUF				
	a) At the Beginning of the Year	596717	2.113		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			596717	2.113

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
13	SHYAMA AGRAWAL				
	a) At the Beginning of the Year	535303	1.896		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			535303	1.896
14	SMRITI AGARWAL				
	a) At the Beginning of the Year	80745	0.286		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			80745	0.286
15	UMA AGARWAL				
	a) At the Beginning of the Year	1139581	4.036		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1139581	4.036
	TOTAL	18097370	64.093	18097370	64.093

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AAR COMMERCIAL COMPANY LIMITED				
	a) At the Beginning of the Year	3390526	12.008		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			3390526	12.008
2	CAMELLIA TRADELINK PRIVATE LIMITED				
	a) At the Beginning of the Year	671870	2.379		
	b) Changes during the year				
	Date Reason				
	14/07/2017 Transfer	867500	3.072	1539370	5.452
	21/07/2017 Transfer	44980	0.159	1584350	5.611
	c) At the End of the Year			1584350	5.611
3	GYAN MANDIR TRADECOM PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	19/05/2017 Transfer	69205	0.245	69205	0.245
	02/06/2017 Transfer	149762	0.530	218967	0.775
	09/06/2017 Transfer	108668	0.385	327635	1.160
	16/06/2017 Transfer	26966	0.096	354601	1.256
	30/06/2017 Transfer	1076	0.004	355677	1.260
	09/02/2018 Transfer	262500	0.930	618177	2.189
	c) At the End of the Year			618177	2.189
4	KHETAN TRACON PRIVATE LIMITED				
	a) At the Beginning of the Year	243542	0.863		
	b) Changes during the year				
	Date Reason				
	14/04/2017 Transfer	-52000	0.184	191542	0.678

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	12/05/2017 Transfer	-19868	0.070	171674	0.608
	19/05/2017 Transfer	25000	0.089	196674	0.697
	26/05/2017 Transfer	-57598	0.204	139076	0.493
	02/06/2017 Transfer	-137376	0.487	1700	0.006
	12/01/2018 Transfer	-700	0.002	1000	0.004
	19/01/2018 Transfer	-1000	0.004	0	0.000
	c) At the End of the Year			0	0.000
5	LALIT KUMAR BANSAL				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	12/01/2018 Transfer	5500	0.019	5500	0.019
	19/01/2018 Transfer	9500	0.034	15000	0.053
	26/01/2018 Transfer	5000	0.018	20000	0.071
	02/02/2018 Transfer	8000	0.028	28000	0.099
	09/02/2018 Transfer	7000	0.025	35000	0.124
	16/02/2018 Transfer	1216	0.004	36216	0.128
	23/02/2018 Transfer	3884	0.014	40100	0.142
	16/03/2018 Transfer	1400	0.005	41500	0.147
	31/03/2018 Transfer	629	0.002	42129	0.149
	c) At the End of the Year			42129	0.149
6	LILY RETAILERS PVT. LTD.				
	a) At the Beginning of the Year	87732	0.311		
	b) Changes during the year				
	Date Reason				
	28/04/2017 Transfer	70275	0.249	158007	0.560
	12/05/2017 Transfer	111000	0.393	269007	0.953
	19/05/2017 Transfer	126491	0.448	395498	1.401
	23/03/2018 Transfer	148737	0.527	544235	1.927
	c) At the End of the Year			544235	1.927
7	MRIGAYA TRADELINK PVT. LTD.				
	a) At the Beginning of the Year	630000	2.231		
	b) Changes during the year				
	Date Reason				
	14/07/2017 Transfer	-630000	2.231	0	0.000
	c) At the End of the Year			0	0.000
8	PADMINI VINIMAY PRIVATE LIMITED				
	a) At the Beginning of the Year	262500	0.930		
	b) Changes during the year				
	Date Reason				
	09/02/2018 Transfer	-262500	0.930	0	0.000
	c) At the End of the Year			0	0.000
9	PULKIT.N.SEKHSARIA				
	a) At the Beginning of the Year	170000	0.602		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			170000	0.602
10	SUSHEEL KUMAR SARAFF				
	a) At the Beginning of the Year	381274	1.350		
	b) Changes during the year				

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date Reason				
	07/04/2017 Transfer	-32586	0.115	348688	1.235
	14/04/2017 Transfer	-117616	0.417	231072	0.818
	28/04/2017 Transfer	-204911	0.726	26161	0.093
	05/05/2017 Transfer	-26161	0.093	0	0.000
	c) At the End of the Year			0	0.000
11	UTKARSH DEALER PRIVATE LIMITED				
	a) At the Beginning of the Year	665470	2.357		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			665470	2.357
12	VIJAY KUMAR SARAFF				
	a) At the Beginning of the Year	332368	1.177		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-159304	0.564	173064	0.613
	14/04/2017 Transfer	-139335	0.493	33729	0.119
	21/04/2017 Transfer	-25000	0.089	8729	0.031
	05/05/2017 Transfer	-8729	0.031	0	0.000
	c) At the End of the Year			0	0.000
13	VIVEKANANDAN SRINIVASAN				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	26/01/2018 Transfer	1882	0.007	1882	0.007
	02/02/2018 Transfer	3813	0.014	5695	0.020
	09/02/2018 Transfer	827	0.003	6522	0.023
	23/02/2018 Transfer	5047	0.018	11569	0.041
	02/03/2018 Transfer	20397	0.072	31966	0.113
	09/03/2018 Transfer	20546	0.073	52512	0.186
	16/03/2018 Transfer	9197	0.033	61709	0.219
	23/03/2018 Transfer	13940	0.049	75649	0.268
	c) At the End of the Year			75649	0.268
14	WALLSTREET DISTRIBUTOR PRIVATE LIMITED				
	a) At the Beginning of the Year	1104744	3.913		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1104744	3.913
15	WARNER DEALCOM PRIVATE LIMITED				
	a) At the Beginning of the Year	1359032	4.813		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1359032	4.813
	TOTAL	9299058	32.933	9554312	33.837

Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AMIT JALAN				
	a) At the Beginning of the Year	12	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			12	0.000
2	CHANDRA PRAKASH AGARWAL				
	a) At the Beginning of the Year	5234004	18.537		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5234004	18.537
3	MAYANK AGARWAL				
	a) At the Beginning of the Year	692937	2.454		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			692937	2.454
4	NITIN MAHAVIR KANDOI				
	a) At the Beginning of the Year	47500	0.168		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			47500	0.168
5	PREM PRAKASH AGARWAL				
	a) At the Beginning of the Year	314303	1.113		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			314303	1.113
6	SANTOSH KUMAR AGARWAL				
	a) At the Beginning of the Year	219708	0.778		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			219708	0.778
	TOTAL	6508464	23.050	6508464	23.050

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount ₹ in lacs

Particulars	Secured Loan excluding Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	4,502.98	10,373.96	—	14,876.94
(ii) Interest due but not paid	—	—	—	—
3. Interest accrued but not due	—	—	—	—
Total (1+2+3)	4,502.98	10,373.96	—	14,876.94
Change in Indebtedness during the Financial Year				
• Addition	9,879.58	6,372.68	—	16,252.26
• Reduction	129.91	1,360.95	—	1,490.86
Net Change	9,749.67	5,011.73	—	14,761.40
Indebtedness at the end of the financial year				
(i) Principal Amount	14,252.65	15,385.69	—	29,638.34
(ii) Interest due but not paid	—	—	—	—
3. Interest accrued but not due	—	—	—	—
Total (1+2+3)	14,252.65	15,385.69	—	29,638.34

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹ In Lacs)
		Chandra Prakash Agrawal	Prem Prakash Agrawal	Santosh Kumar Agrawal	Nitin M M Kandoi	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	21.00	21.00	21.00	21.00	84.00
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	3.00	NIL	NIL	3.00
2	Commission	NIL	NIL	NIL	NIL	NIL
3	Others –Remuneration benefits	NIL	NIL	NIL	NIL	NIL
	Total (A)	21.00	24.00	21.00	21.00	87.00

B. Remuneration to Other Directors (All being Independent)

S. N.	Particulars of Remuneration	Name of Directors				Total Amount (₹ In Lacs)
		Jyotirindra Nath Dey	Piyush Kankrania	Sangeeta Upadhyay	Tarun Kumar Gupta	
1	Fees for attending Board/Committee Meetings	0.35	0.31	0.09	0.32	1.07
2	Commission	NIL	NIL	NIL		NIL
3	Others	NIL	NIL	NIL		NIL

C. Remuneration to Key Managerial Personnel

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs. In Lacs)
		Mayank Agrawal	Amit Jalan	Nitesh Kumar	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12.00	9.21	12.00	33.21
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Others –Remuneration benefits	NIL	NIL	NIL	NIL

VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YEAR

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

Gallantt Ispat's governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust on our stakeholders. Gallantt Ispat's governance framework is driven by the objective of enhancing long term stakeholders' value without compromising on Ethical Standards and Corporate Social Responsibilities. Efficient Corporate Governance requires a clear understanding of the respective roles of the Board of

Directors ("Board") and of Senior Management and their relationships with others in the Corporate Structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other Stakeholders.

Transparency, accountability, fairness and responsibility are the four basic tenets of Corporate Governance and Gallantt Ispat Limited believes that fair, transparent and ethical governance practices are sine qua non for the way we do business

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of the Listing Regulations is given below:

Names of the Director		% to the total number of Directors
I. Independent Director	Jyotirindra Nath Dey	50%
	Mr. Tarun Kumar Gupta	
	Piyush Kankrania	
	Sangeeta Upadhyaya	
II. Non-Executive Non-Independent Director		NIL
III. Executive Director	Chandra Prakash Agrawal	50%
	Santosh Kumar Agrawal	
	Prem Prakash Agrawal	
	Nitin Mahavir Prasad Kandoi	

The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. The Board is balanced comprising Executive and Non-Executive Directors. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business

2. BOARD OF DIRECTORS

2.1 Composition

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

As on March 31, 2018 your Company's Board comprised of 8 Directors (out of which 50% of the Directors are Independent Directors) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Chief Executive Officer of the Company are held by separate individuals

The composition of the Board as on March 31, 2018 is as follows:

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

requirements. Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal are related to each other as brothers. Also, relatives of these Directors are employed in the Company.

2.2 Appointment of Directors

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

The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.gallantt.com.

2.3 Meetings and Attendance

During the financial year 2017-18, Eleven Board Meetings were held. These were held on 04.05.2017, 01.06.2017, 17.07.2017, 01.08.2017, 14.09.2017, 04.10.2017, 21.10.2017, 14.12.2017, 15.01.2018, 24.01.2018 and 31.03.2018.

2.4 Changes during the Year:

During the period under report there is no change in Directorship of the Company.

2.5 Re-appointment of Directors Proposed at upcoming AGM:

Mr. Prem Prakash Agrawal (DIN: 01397585), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming AGM.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149 (11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. As the tenure of Mr. Jyotiorindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay

will be over on March 31, 2019, March 31, 2019 and July 09, 2019 respectively, the Board has recommended their re-appointment for Second Term of 5 (Five) years.

In terms of Regulation 17(1A) of Listing Regulations, no listed entity shall appoint or continue a person as a Non-Executive Director with effect from 1 April, 2019, who has attained the age of 75 years unless a Special Resolution is passed in this regard. As term of Mr. Jyotiorindra Nath Dey, aged 81 years is expiring on March 31, 2019, his reappointment for Second Term of 5 (Five) years is recommended to Members.

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of the proposed appointee / reappointee are given in the Explanatory Statement attached to the Notice of 14th AGM of the Company.

2.6 Other Directorships and Committee Memberships:

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Directors on Company's Board is a Director in more than 10 Public Limited Companies (including M/s. Gallantt Ispat Limited) or is a Member of more than 10 Board Committees (Committees being the Audit Committee and the Stakeholders' Relationship Committee) or Chairman of more than 5 (Five) Board Committees as on 31 March, 2018.

2.7 Composition of the Board of Directors, their attendance in the Board Meetings and other particulars as on 31st March, 2018 is as follows:

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 11 meetings held during the year*	No. of other directorships in public companies as on 31/03/2018	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Ispat) As on 31/03/2018	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	No	11	1	Nil	Nil
Mr. Santosh Kumar Agrawal Director Sales & Marketing (DIN: 01045228)	Executive/ Promoter	No	11	Nil	Nil	Nil
Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	Executive / Promoter	No	11	Nil	Nil	Nil
Mr. Nitin Mahavir Prasad Kandoi Director - Plant Operation (DIN: 01979952)	Executive/Promoter	No	11	1	Nil	Nil

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 11 meetings held during the year*	No. of other directorships in public companies as on 31/03/2018	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Ispat) As on 31/03/2018	
					Chairman	Member
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	10	2	1	3
Mr. Piyush Kankrania Director (DIN: 05241962)	Non-Executive/ Independent	Yes	10	Nil	Nil	Nil
Mrs. Sangeeta Upadhyay (DIN: 06920195)	Non-Executive/ Independent	No	8	Nil	Nil	Nil
Mr. Tarun Kumar Gupta, Director (DIN: 07767894)	Non-Executive/ Independent	No	11	Nil	Nil	Nil

*Excludes Directorship, if any, in private companies/foreign companies and companies under Section 8 of the Companies Act, 2013

@Only Audit Committee & Stakeholders Relationship Committee has been considered as per Listing Regulations.

Notes:

- Mr. Tarun Kumar Gupta, Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyaya have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.
- Other Directorships of only Indian Public Limited Companies have been considered.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.
- Except Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal who are brothers, no other directors have any inter se relationship.

2.8 Separate Meeting of Independent Directors:

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

- Review of performance of non-independent directors and the Board as a whole;
- Review of performance of the Chairperson of the Company, taking into account the views of the executive and independent directors;

- Assessment of quality, quantity and timeliness of flow of information between the company management and the Board.

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

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

2.9 Shareholding of Directors

The details of shares held by the Directors of the Company in their individual names as on March 31, 2018 are furnished below:

Sr. No.	Name of Directors	No. of Shares held
1.	Chandra Prakash Agrawal	52,34,004
2.	Mr. Santosh Kumar Agrawal	2,19,708
3.	Mr. Prem Prakash Agrawal	2,59,213
4.	Mr. Nitin Mahavir Prasad Kandoi	47,500
5.	Jyotirindra Nath Dey	NIL
6.	Mr. Tarun Kumar Gupta	NIL
7.	Mr. Piyush Kankrania	NIL
8.	Mrs. Sangeeta Upadhyay	NIL

2.10 Induction and Familiarization Program for Directors

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

policies and procedures on a regular basis.

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com

2.11 Independent Directors

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

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

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

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

2.12 Board Procedures

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

Time gap between two consecutive meetings does not exceed 120 days. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The Senior Management Personnel are invited to the Board/ Committee Meetings to apprise and update the members on the items being discussed at the meeting. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

2.13 Information supplied to the Board

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Annual and Quarterly results for the Company
- D. Minutes of meetings of Audit Committee and other Committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding

another enterprise that may have negative implications on the Company.

- J. Details of joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions, wherever necessary. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any .

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

2.14 Performance evaluation of Directors

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

Role & Accountability

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

Objectivity

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

Leadership & Initiative

- Heading Board Sub-committees.

- Driving any function or identified initiative based on domain knowledge and experience.

Personal Attributes

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

2.15 Non-executive Directors' compensation and disclosures

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

2.16 Other Provisions as to Board and Committees

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

3. AUDIT COMMITTEE

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

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

3.1 Composition

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

Mr. Piyush Kankrania, the Chairman – Audit Committee was present at the Annual General Meeting held on September 26, 2017.

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

3.2 Terms of reference

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

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

Compliance and other related aspects

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

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

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

3.3 Meetings and Attendance

A total of Nine (9) Audit Committee Meetings were held in the financial year 2017-18. The meetings were held on 04.05.2017, 01.06.2017, 17.07.2017, 01.08.2017, 14.09.2017, 14.12.2017, 15.01.2018, 24.01.2018 and 31.03.2018.

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

Names	Designation	Category	Committee Meeting Attended
Mr. P. Kankrania	Chairman	Independent	9
Mr. J. N. Dey	Member	Independent	9
Mr. T. K. Gupta	Member	Independent	9

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

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the Board has constituted Stakeholders' Relationship Committee ("SRC"). As per the Listing Regulations, the Committee shall specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

4.1 Composition

During the year ended 31st March, 2018, the Stakeholders Relationship Committee comprised of Mr. Tarun Kumar Gupta, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

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

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

4.2 Meetings and Attendance

A total of Nine (9) Stakeholders Relationship Committee Meeting was held in the financial year 2017–18. The meetings were held on 04.05.2017, 16.08.2017, 31.08.2017, 14.09.2017, 04.10.2017, 21.10.2017, 14.12.2017, 15.01.2018 and 31.03.2018

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

Names	Designation	Category	Committee Meeting Attended
Mr. T. K. Gupta	Chairman	Independent	9
Mr. P. Kankrania	Member	Independent	9
Mr. J. N. Dey	Member	Independent	9

4.3 Status of Complaints

Sl. No.	Particulars	Numbers
1.	Complaints pending as on 1 April, 2017	NIL
2.	Complaints received during the year ended 31 March, 2018	NIL
3.	Complaints disposed of during the year ended 31 March, 2018	NIL
4.	Complaints pending as on 31 March, 2018	NIL

As required under Regulation 40(10) of the Listing Regulations entered into by Gallantt Ispat with stock exchanges, a certificate is obtained every six months from a practising Company Secretary that all transfers have been completed within the stipulated time. The certificates are forwarded to BSE and NSE.

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

5. NOMINATION AND REMUNERATION COMMITTEE

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

Directors.

5.1 Role of Nomination and Remuneration Committee

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

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

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

5.2 Meetings and Attendance

During the year ended 31st March, 2018, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Tarun Kumar Gupta all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

A total of Two (2) Nomination and Remuneration Committee Meeting was held in the financial year 2017–18. The meetings were held on 04.05.2017 and 31.03.2018.

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

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	2
Mr. P. Kankrania	Member	Independent	2
Mr. T. K. Gupta	Member	Independent	2

5.3 Nomination and Remuneration Policy of the Company

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

The remuneration of the Managing Director, Executive Director and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria.

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

5.4 Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2018 to Managing/Whole-time Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (Rs. In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	21.00
Mr. Prem Prakash Agarwal	Whole time Director	24.00
Mr. Nitin Mahavir Prasad Kandoi	Director-Plant Operation	21.00
Mr. Santosh Kumar Agrawal	Director - Sales & Marketing	21.00

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

Except sitting fees, the Company is not paying any remuneration to the Non-Executive Directors.

The Company has not paid any remuneration to Non-executive Directors other than sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company.

5.5 Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also

carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

6.1 Terms of reference

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

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

6.2 Meetings and Attendance

The Committee met Four (4) times during the financial year ended 31st March, 2018 on 04.05.2017, 01.08.2017, 04.10.2017 and 31.03.2018. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2018 is detailed below:

Names	Designation	Details of Meetings held during the F.Y. 2017-18	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	4
Mr. Prem Prakash Agrawal	Member	Independent	4
Mr. Chandra Prakash Agrawal	Member	Independent	4

The Board of Directors of the Company has approved the CSR Policy of the Company on the

recommendations of the CSR Committee. The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company www.gallantt.com.

7. SUBSIDIARY COMPANIES

During the Year Company has approved Scheme of Amalgamation of eight wholly owned subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited.

Vide its Order dated January 08, 2018 Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited (all being Wholly Owned Subsidiaries of the Company) with the Company. Consequent upon amalgamation of these Wholly Owned Subsidiaries with the Company, these entities ceased to exist as Subsidiaries. Amalgamation Orders of Honorable Regional Director have been received on January 11, 2018 and the same were filed with the Registrar of Companies, West Bengal on January 13, 2018.

During the year Company has acquired four Wholly Owned Subsidiaries M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smelters and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited.

Your Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any material unlisted subsidiary.

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

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

The Company does not have any material non-listed Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website www.gallantt.com.

8. RISK MANAGEMENT

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

Your company has identified the following risks:

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

9. RELATED PARTY TRANSACTIONS

In terms of the Indian Accounting Standard "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note to the Accounts forming part of this Annual Report.

Transactions with related parties entered into

by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval. There is no materially significant related party transaction during the financial year ended March 31 2018.

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially

significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions are tabled before the Audit Committee and the Board of Directors on quarterly basis. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website www.gallantt.com.

10. DISCLOSURES

10.1 Related Party Transactions

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

10.2 Compliances by the Company

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

10.3 Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at www.gallantt.com.

10.4 Prevention of Insider Trading Code

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

In order to regulate trading in securities of the Company by the Directors and designated

employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company.

Insider Trading Code prevents misuse of unpublished price sensitive information and it also provides for periodical disclosures and obtaining pre-clearance for trading in securities of your Company by the Directors, Designated Employees and Connected Persons of your Company.

10.5 Disclosure of Accounting Treatment

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

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

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

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

Details of payment of Sitting Fee for the year 2017-18 are as follows:

Name of Director	Sitting Fees (₹)
Mr. Jyotirindra Nath Dey	35,000
Mr. Piyush Kankrania	31,000
Mrs. Sangeeta Upadhyay	9,000
Mr. Tarun Kumar Gupta	32,000
TOTAL	1,07,000

10.7 Management

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

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

10.8 CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the

compliance in terms of Regulation 17(8) of SEBI Listing Regulations and that the certificate forms part of the Annual Report.

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

The Company complies with the following non-mandatory requirements:

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

10.10 Whistle Blower Policy

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

Your Company has established a Vigil Mechanism/ Whistle Blower Policy for Directors and Employees pursuant to which a Committee has been constituted for addressing complaints received from Directors and Employees concerning unethical behaviour, actual or suspected fraud and violation of Code of Conduct or ethics policy of your Company. The Policy provides adequate safeguards against victimisation of Director(s)/ Employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. Your Company hereby affirms that no Director/ Employee has been denied access to the Chairman of the Audit Committee.

10.11 Proceeds from public issues, rights issues, preferential issues etc.

During the year under review, no proceeds were raised by the Company from public issues, rights issue, preferential issue etc.

10.12 Shareholders

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

11. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis forms part of the Director's Report.

12. GENERAL SHAREHOLDER INFORMATION

12.1 Disclosure regarding appointment or re-appointment of Directors: Brief profile of the Directors seeking appointment or re-appointment is annexed to the Notice convening the 14th Annual General Meeting forming part of this Annual Report.

12.2 Means of Communication:

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

12.3 Date, Time and Venue of 14th AGM

Thursday, 27th September, 2018 at 2.00 P.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.

12.4 Financial Year

The Financial Year is for 12 (twelve) months from April 1, 2017 to March 31, 2018.

12.5 General Body Meetings

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

Year	Venue	Date	Time
2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2017	2.00 P.M.
2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2016	2.00 P.M.
2015	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	28.09.2015	11.00 A.M.

12.4 The details of date, venue and time of the last three Annual General Meetings, Extra-ordinary General Meetings, Court Convened Meetings held and Special Resolutions passed are as under:

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
Extra-ordinary General Meeting	2018-19	27.07.2018 at 12.30 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	1. To consider and approve the proposal of sub-dividing/ splitting of Face Value of Equity Shares from Rs. 10/- each to Re. 1/- each of the Company as per Section 61(1)(d) of the Companies Act, 2013 (Resolution passed with specified majority – Special Resolution) 2. To consider and approve Alteration of 'Capital Clause' of Memorandum of Association as per the Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013 (Resolution passed with specified majority – Special Resolution)
Extra-ordinary General Meeting	2018-19	15.06.2018 at 12.30 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	To consider and approve resolution Amalgamation of Antarmukh Steel Manufacturer Private Limited, Bhavika Smelters and Food Products Private Limited, Shrinu Rolls and Milling Private Limited AND Satlaj Rolls and Milling Private Limited (Transferor Companies) with Gallantt Ispat Limited (Resolution passed with specified majority)
13 th Annual General Meeting	2016-17	26.09.2017 at 2.00 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	1. Increase in remuneration of Mr. Chandra Prakash Agrawal, Managing Director of the Company (DIN: 01814318). 2. Increase in remuneration of Mr. Prem Prakash Agrawal, Whole-time Director of the Company (DIN: 01397585). 3. Increase in remuneration of Mr. Santosh Kumar Agrawal, Whole-time Director (Director- Sales & Marketing) of the Company (DIN: 01045228) 4. Increase in remuneration of Mr. Nitin M Kandoi, Whole-time Director (Director- Plant Operation) of the Company (DIN: 01979952)
Extra-ordinary General Meeting	2017-18	12.07.2017 at 11.00 A.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	To consider and approve resolution Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited (Transferor Companies) with Gallantt Ispat Limited (Resolution passed with specified majority)

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
12 th Annual General Meeting	2015-16	26.09.2016 at 2.00 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed
11 th Annual General Meeting	2014-15	28.09.2015	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	No Special Resolution passed

12.5 Extraordinary General Meeting

An Extra-ordinary General Meeting was held on July 12, 2017 to consider and approve resolution Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited (Transferor Companies) with Gallantt Ispat Limited. Resolution was

passed with specified majority as required under Section 233 of the Companies Act, 2013 read with relevant rules of Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

12.6 Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2017- 2018.

12.7 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

12.8 Financial Calendar – 2017-2018

Adoption of Quarterly/ Annual Results for the quarter/period ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2017 (Quarterly Results)	04.05.2017	05.05.2017	Business Standard (English) - All Editions and Ekdin (Bengali)
June 30, 2017 (Quarterly Results)	14.09.2017	16.09.2017	Business Standard (English) - All Editions and Ekdin (Bengali)
September 30, 2017 (Quarterly Results)	14.12.2017	16.12.2017	Business Standard (English) - All Editions and Ekdin (Bengali)
December 31, 2017 (Quarterly Results)	15.01.2018	17.01.2018	Business Standard (English) - All Editions and Ekdin (Bengali)
March 31, 2018 (Annual Results)	21.05.2018	23.05.2018	Business Standard (English) - All Editions and Ekdin (Bengali)

12.9 Tentative Calendar for Financial Year ending March 31, 2019

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

S. No.	Particulars of Quarter	Tentative dates
1	First Quarter Results	In or before the Second week of August 2018.
2	Second Quarter & Half Yearly Results	In or before the Second week of November 2018.
3	Third Quarter & Nine-months Results	In or before the Second Week of February 2019.
4	Fourth Quarter & Annual Results	In or before the Second week of April 2019.

12.10 Dividend payment date:

The Board of Directors at their Meeting held on May 21, 2018, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting @ 5% on equity shares of the Company for the Financial Year 2017-18. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 20, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 20, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2018.

Dividend History for the last 10 financial years

The Table below highlights the history of Dividend declared by the Company in the last 10 financial years:

Sr. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share	Dividend Amount
1	2016-17	26.09.2017	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
2	2015-16	17.03.2016 (Interim)	Re. 1/- (Rupee One only)	Rs. 2,82,36,072.00
3	2014-15	28.09.2015	Re. 1/- (Rupee One only)	Rs. 2,82,36,072.00
4	2013-14	09.09.2014	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
5	2012-13	19.09.2013	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
6	2011-12	25.09.2012	Re. 0.50/- (Paise Fifty only)	Rs. 1,33,83,252.50
7	2010-11	28.09.2011	Re. 0.50/- (Paise Fifty only)	Rs. 1,33,83,252.50
8	2009-10	No Dividend Declared	Nil	Nil
9	2008-09	No Dividend Declared	Nil	Nil
10	2007-08	No Dividend Declared	Nil	Nil

12.11 Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001.

National Stock Exchange of India Ltd.

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

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2018-19 have been paid.

12.12 Name of Depositories for dematerialisation of equity shares

Name of the depository	
National Securities Depository Limited (NSDL)	INE528K01011 (old) INE528K01029 (new) After Split
Central Depository Services (India) Limited (CDSL)	INE528K01011 (old) INE528K01029 (new) After Split

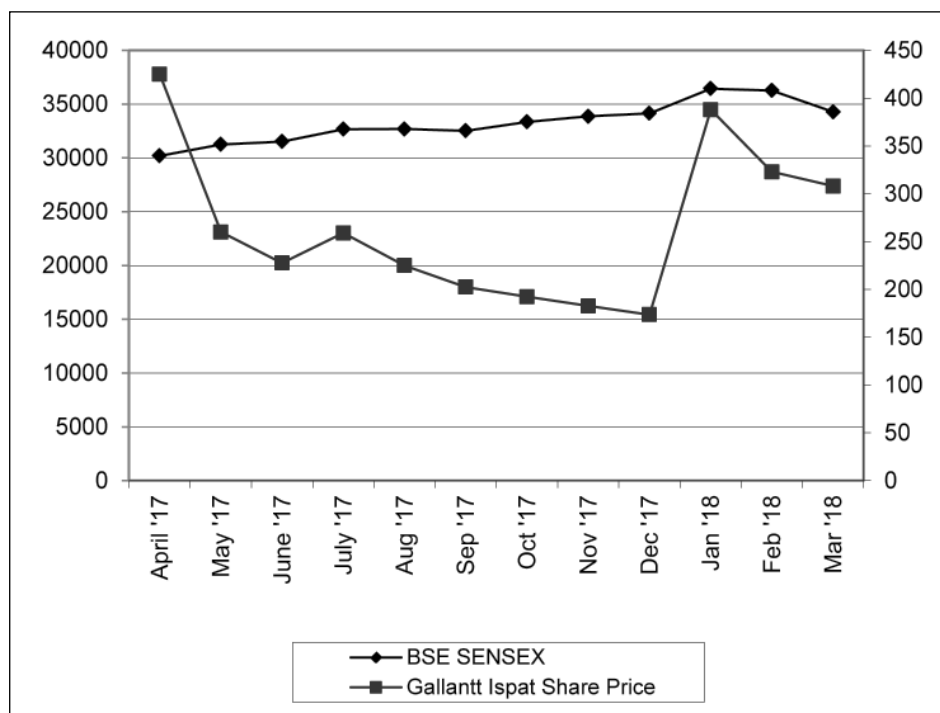
The equity shares are quoted under the following Codes

Stock Exchanges	
BSE Limited, Mumbai (BSE)	533265
National Stock Exchange of India Limited, Mumbai (NSE)	GALLISPAT

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

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2017-18.

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr-17	414.50	425.00	228.00	241.15	410.00	423.00	228.05	241.00
May-17	242.00	259.95	200.00	227.00	241.10	260.50	206.05	226.10
Jun-17	226.50	227.50	198.60	207.00	225.00	236.30	201.00	202.70
Jul-17	208.00	258.95	202.00	218.50	208.00	239.80	202.10	225.00
Aug-17	222.00	225.00	206.35	213.00	223.00	226.65	210.15	213.75
Sep-17	202.35	202.35	202.35	202.35	203.10	203.10	203.10	203.10
Oct-17	192.25	192.25	192.25	192.25	–	–	–	–
Nov-17	182.65	182.65	182.65	182.65	192.95	192.95	192.95	192.95
Dec-17	173.55	173.55	173.55	173.55	183.35	183.35	183.35	183.35
Jan-18	208.25	387.90	208.25	304.45	220.00	389.00	213.00	310.75
Feb-18	305.50	322.85	280.00	300.30	319.90	324.90	278.10	307.60
Mar-18	292.60	308.00	251.05	270.05	308.00	312.50	254.30	263.30

12.14 Performance in comparison with BSE Sensex – April, 2016 to March, 2017**12.15 Compliance Certificate**

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

12.16 Means of Communication:

In accordance with Regulation 46 of the Listing Regulations and erstwhile Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.gallantt.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Information like quarterly / half yearly / annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members. In terms of Regulation 47 of the Listing Regulations the quarterly / half-

yearly / annual financial results are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at www.gallantt.com.

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

12.17 Compliance Officer

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

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

12.18 Registered Office

1, Crooked Lane, Second Floor,
Kolkata- 700 069.
Telfax:- +91-33-40642189
Website:gallantt.com
E-mail: nitesh@gallantt.com

12.19 Works Office

Plot No. AL-5, Sector – 23, Gorakhpur Industrial Development
Authority (GIDA), Sahjanwa, Gorakhpur, U.P.
Tele:+91-551-2700302
Fax: +91-551-2700320

12.20 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.:- +91-33-22357270/7271/3070/2234
Fax No.:- +91-33-22156823
Contact Person: Mr. S. Abbas
E-mail:nichetechpl@nichetechpl.com
Web-site: www.nichetechpl.com

12.21 Dividend

The Board of Directors at their Meeting held on May 21, 2018, recommended dividend payout @5%, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 0.50/- per share (after Split of Shares 5 paise per Share), on equity shares of the Company for the Financial Year 2017-18. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 20, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 20, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2018.

12.22 Share Transfer System:

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

12.23 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, 2018.

12.24 Distribution of Shareholding

The distribution of shareholding as on 31st March, 2018 was as follows

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	2848	93.1023	2,12,529	0.7527
501-1,000	96	3.1383	75,846	0.2686
1,001-5,000	77	2.5172	1,54,148	0.5459
5,001-10,000	7	0.2288	47,878	0.1696
10,001-50,000	9	0.2942	1,95,701	0.6931
50,001-1,00,000	2	0.0654	1,56,394	0.5539
1,00,001 and Above	20	0.6538	2,73,93,576	97.0162
TOTAL	3059	100.00	2,82,36,072	100.00

12.25 Categories of shareholding as on 31st March, 2018

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING:		
Promoters	1,80,97,370	64.093
Total Promoters' Holding	1,80,97,370	64.093
PUBLIC SHAREHOLDING:		
Institutional Investors		
Financial Institution/Bank	0	0.00
Financial Institution Investor	0	0.00
Foreign Portfolio Investor	103	0.00
Others		
Bodies Corporate	93,14,346	32.987
Individuals	7,62,245	2.699
NRI/OCBs	9,755	0.035
Clearing Memb/Clearing Cor (Demat shares in transit)	52,253	0.185
Total Public Shareholding	1,01,38,702	35.907
GRAND TOTAL	2,82,36,072	100

12.26 Green Initiative

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

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

12.27 Corporate Identity Number (CIN):

L27109WB2005PLC101650

12.28 Investor's Correspondence

For investor matters:

Nitesh Kumar

Company Secretary and Compliance Officer

Secretarial Department

Gallantt Ispat Limited

1, Crooked Lane, Second Floor,

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

Telefax:- +91-33-40642189

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

Policy for determining Material Subsidiaries:

http://www.gallantt.com/uploads/1454671647_policy-for-determining-material-subsidiaries.pdf

Policy on Related Party Transactions:

http://www.gallantt.com/uploads/1427720283_PMDRPT.pdf

Familiarization program for Independent Directors:

<http://www.gallantt.com/corporate-governance>

Other Code and Policies:

<http://www.gallantt.com/code-of-conduct>

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

12.30 Transfer to Investor Education and Protection Fund (IEPF): Transfer to Investor Education and Protection Fund (IEPF):

During the Financial Year under review, your

Company has transferred unpaid/ unclaimed Share Application Money due for refund to the investors at the time of INITIAL Public Offerings (IPO), amounting to Rs. 71,900/- for FY 2010-11 to the Investor Education and Protection Fund (IEPF) of the Central Government of India.

12.31 Due Dates for Transfer of Unclaimed Dividend to Investors Education and Protection Fund (IEPF)

Pursuant to Section 124 of the Companies Act, 2013, Final Dividend for the Financial Year 2010-11 which remained unpaid /unclaimed for a period of 7 (Seven) years from the date of such transfer shall be transferred by the Company to the Investors Education and Protection Fund (IEPF) of the Central Government. The Dividend for following years (see table below), which remains unclaimed for 7 (Seven) years from the date of

such transfer in the unpaid dividend account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not encashed their dividend warrants relating to the dividends specified below are requested to immediately send their request for issue of duplicate warrants. The details of dividends specified below are available on the website of the Company (www.gallantt.com). Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, Shareholders may claim their unclaimed amount as per the procedures / guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. www.iepf.gov.in.

S. No.	Financial Year	Type of Dividend	Date of declaration	Percentage	Dividend Balance as on 31.03.2018
1	2010-11	Final	28.09.2011	5%	9,929.00
2	2011-12	Final	25.09.2012	5%	5,419.00
3	2012-13	Final	19.09.2013	5%	17,307.00
4	2013-14	Final	09.09.2014	5%	3,026.50
5	2014-15	Final	28.09.2015	10%	3,109.00
6	2015-16	Interim	17.03.2016	10%	3,929.00
7	2016-17	Final	26.09.2017	5%	9,132.50

12.32 Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of 7 (Seven) years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a Shareholder for a period of 7 (Seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of 30 (Thirty) days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In pursuance of the foregoing your Company

has 605 outstanding no. of equity shares on which dividend was unclaimed / unpaid for the consecutive 7 (Seven) years and liable to be transferred to IEPF Authority on or after November 02, 2018. Details of such shares are available on website of Company under Investors Section. Shares which will be transferred to the Demat Account of IEPFA can be claimed back by the Shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of Shareholders to regularly claim the dividends declared by the Company.

12.33 General Disclosures (Repeated)

- A summary of transactions with related parties, in the ordinary course of business and at arm's length is placed before the Audit Committee;
- there were no material individual transactions with related parties that were not in the ordinary course of business and at arm's length during the Financial Year ended 31st March 2018;

- (iii) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, Relatives or Subsidiaries that could have potential conflict of interest with the Company;
 - (iv) the mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (Ind AS-24), forms part of this annual report;
 - (v) none of the Non-Executive Directors hold any shares in the company;
 - (vi) in preparing the Annual Accounts for the Financial Year ended 31st March 2018, no accounting treatment was different from that prescribed in the Indian Accounting Standards;
 - (vii) there were no instance of non-compliance on any matter relating to the capital markets during the past three years;
 - (viii) the Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (ix) the Company has a Whistle Blower Policy which can be accessed on the Company's website www.gallantt.com. It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, the MD & CEO did not receive complaint. Action to be recommended, if any by the whistle committee shall be implemented by the management.
 - (x) the Company has a policy on Related Party Transactions. The policy can be accessed on the Company's website www.gallantt.com.
 - (xi) the Company has a Policy on Distribution of Dividend to Shareholders. The Policy can be accessed on the Company's website www.gallantt.com.
 - (xii) the Company has a policy on Determination and Disclosure of Material Events. The policy can be accessed on the Company's website www.gallantt.com.
 - (xiii) the Company has a policy on Preservation and Archival of Documents. The policy can be accessed on the Company's website www.gallantt.com
 - (xiv) the familiarisation program for Independent Directors is provided as part of the Director's Appointment and Remuneration policy. The policy and details of the familiarisation program is given on the Company's website www.gallantt.com.
 - (xv) Independent Directors met on 31st March 2018 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.
 - (xvi) The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report.
 - (xvii) The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.
 - (xviii) The Company has put in place and framed a Risk Management Policy which identifies potential risks associated with the Company's business and take steps to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management. The Risk Management Policy formulated by the Company is available on the Company's website www.gallantt.com.
- 12.34 Status of compliance of Non-Mandatory requirements under regulation 27(1) of SEBI Listing Regulations**
- The Company complies with the following non-mandatory requirements:
1. The Auditors have expressed no qualification in their report.
 2. The Company has appointed separate persons to the post of the Chairman & Managing Director and CEO.
 3. The Internal auditor periodically reports to the Audit Committee.
- For and on Behalf of the Board**
C. P. Agrawal
Chairman
- Place: Gorakhpur
Date: August 13, 2018

DECLARATION

As per regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the fifteen months ended March 31, 2018.

Gorakhpur

August 13, 2018

C. P. Agrawal

Chairman and Managing Director

Mayank Agrawal

Chief Executive Officer

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

1. We have examined the compliance of conditions of Corporate Governance by Gallantt Ispat Limited ("the Company") for the year ended on 31 March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations, 2015"]/Clause 49 of the Listing Agreements of the Company with stock exchanges in India (as applicable).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the fifteen months ended March 31, 2018.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Anoop Agarwal & Co.
Chartered Accountants

Amit Kumar Srivastava
Partner

Membership No. 517195

Date : August 13, 2018

Place : Gorakhpur

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 2017-18 – Certificate by CEO and CFO

We, Mayank Agrawal, CEO and Mr. Amit Jalan, Chief Financial Officer of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2018 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, 2018 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting. We have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified, or informed to the auditors and the Audit Committee.
5. During the year it was disclosed to the Auditors and the Audit Committee that:
 - (1) There were no significant changes in internal control over financial reporting;
 - (2) No significant changes in accounting policies were made during the year except for change in the accounting policy on revaluation of certain fixed assets; and
 - (3) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place : Gorakhpur
Date : August 13, 2018

Amit Jalan
Chief Financial Officer

Mayank Agrawal
Chief Executive Officer

Independent Auditor's Report on Standalone Financial Statements

Report on the standalone financial statements

We have audited the accompanying standalone IND AS financial statements of GALLANTT ISPAT LIMITED ('The Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles Generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS 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 standalone IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the standalone IND AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the standalone IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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.

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2018;
- b) in the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date;
- c) in the case of the Statement of changes in equity on that date; and
- d) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matters

The Comparative financial information of the company for the year ended 31st March 2017 and the transition date opening balance sheet as at 01st April 2016 included in these standalone IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited

Independent Auditor's Report on Standalone Financial Statements

by us and our reports for the year ended 31st March 2017 and 31st March 2016 dated 04th May 2017 and 30th May 2016 respectively expressed an unmodified opinion those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the IND AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on other legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: 21.05.2018

Annexure A to the Independent Auditor's Report to the Shareholders

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, 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, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
2. The inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 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.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, GST, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess, GST and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and GST which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of value added tax have not been deposited by the Company on account of disputes given below:

Statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount involved (₹ in Lakh)
UP VAT ACT 2008	VAT	Government of Uttar Pradesh	August 2011 to June 2017	9255.64 (10828.03-1572.39) (Refer Note no. 46)

Annexure A to the Independent Auditor's Report to the Shareholders

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, Government or dues to debenture holders. There were no debenture holders at any time during the year.
9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of Initial Public offer or further public offer or new term loans during the year. However, the term loans outstanding at the beginning of the year have been applied for the purpose for which the loans were raised.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.
11. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares, or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with him.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Anoop Agarwal & Co.
Chartered Accountants
Firm Reg. no. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: 21.05.2018

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of GALLANTT ISPAT LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(**Amit Kumar Srivastava**)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: 21.05.2018

Balance Sheet as at 31st March, 2018

(₹ in lacs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(I) ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	03	46,875.12	23,700.31	26,912.65
(b) Intangible assets	04	0.25	0.25	0.40
(c) Capital work in progress		1,111.71	9,134.93	2,297.52
		47,987.08	32,835.49	29,210.57
(d) Financial assets				
(i) Investments	05			
a) Investments in subsidiaries		366.13	501.90	4,000.00
b) Investments in associates		4,267.98	4,267.98	3,919.18
c) Other investments		-	-	11.00
(ii) Other financial assets	06	0.87	0.87	33.10
(iii) Derivative Assets				
(e) Other non-current assets	07	86.49	1,877.59	83.21
(f) Deferred tax assets (Net)	08	1,188.25	897.20	55.03
(g) Advance Income tax assets (net)		237.33	406.21	1,070.13
		54,134.13	40,787.24	38,382.22
(2) Current Assets				
(a) Inventories	09	12,165.51	5,089.39	4,868.69
(b) Financial assets				
(i) Trade receivables	10	4,755.92	2,018.64	3,868.57
(ii) Cash and cash equivalent	11	120.52	129.56	222.03
(iii) Other balances with Bank	11	625.87	207.98	298.88
(iv) Other financial assets	12	24,521.95	20,596.68	17,362.83
(c) Other current assets	13	1,345.58	2,606.57	1,977.84
		43,535.35	30,648.82	28,598.84
TOTAL ASSETS		97,669.48	71,436.06	66,981.06
(II) EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	14	2,823.61	2,823.61	2,823.61
(b) Other equity	15	41,773.24	36,558.87	32,193.61
		44,596.85	39,382.48	35,017.22
(2) Non-current liabilities				
(a) Borrowings	16	11,949.39	9,338.84	8,791.40
(b) Provisions	17	17.58	32.75	52.72
(c) Other non-current liabilities	18	1,359.30	2,503.06	2,092.98
		13,326.27	11,874.65	10,937.10
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	11,794.91	4,502.99	8,697.21
(ii) Trade payables	20	6,124.94	803.99	1,519.72
(iii) Other financial liabilities	21	0.52	155.64	126.30
(b) Other current liabilities	22	21,825.26	14,698.11	10,022.21
(c) Current Income tax liabilities (net)		0.73	18.20	661.30
		39,746.36	20,178.93	21,026.74
TOTAL EQUITY AND LIABILITIES		97,669.48	71,436.06	66,981.06

See accompanying notes forming part of the financial statements

1-52

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2018

(₹ in lacs)

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1) Revenue from operations	23	58,688.23	46,479.10
(2) Other income	24	152.89	40.96
(3) Total Revenue (1) + (2)		58,841.12	46,520.06
(4) EXPENSES			
(a) Cost of materials consumed	25	43,461.41	29,121.06
(b) Changes in inventories of finished products and work in progress	26	(1,993.07)	846.66
(c) Employee benefits expense	27	1,340.64	998.96
(d) Finance costs	28	857.17	423.78
(e) Depreciation expense	29	1,836.71	1,369.26
(f) Excise duty	30	1,142.78	4,008.49
(g) Other expenses	31	5,513.52	6,308.86
Total Expenses (4)		52,159.16	43,077.07
(5) Profit before exceptional items (3) - (4)		6,681.96	3,442.99
(6) Exceptional items			
(a) Loss / Profit on sale of assets		-	(959.60)
(b) Loss / Profit on sale of long term investments			(56.00)
Total exceptional items		-	(1,015.60)
(7) Profit before tax (5) - (6)		6,681.96	4,458.59
(8) Tax Expense	32		
(a) Current tax			
(i) Current tax for current period		1,431.67	982.82
(ii) Current tax for the previous periods		188.66	-
(b) Deferred tax			
(i) Deferred tax for current period		(300.17)	(858.55)
(ii) Deferred tax relating to previous years		-	-
Total tax expense (8)		1,320.16	124.27
(9) Profit for the period (7) - (8)		5,361.80	4,334.32
(10) Other comprehensive income			
7.7 Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		26.41	47.32
(ii) Income tax relating to items that will not be reclassified to profit and loss		9.14	16.38
Total other comprehensive income (10)		17.27	30.94
(11) Total comprehensive income for the period (9) + (10)		5,379.07	4,365.26
(12) Earnings per equity share: (Face value of share of Rs 10 each)	33		
(a) Basic		18.99	15.35
(b) Diluted		18.99	15.35

See accompanying notes forming part of the financial statements

1-52

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
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(Nitesh Kumar)
Company Secretary

NOTICE

BOARD AND MANAGEMENT REPORTS

STANDALONE FINANCIAL REPORTS

CONSOLIDATED FINANCIAL REPORTS

Cash Flow Statement for the year ended 31st March, 2018

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
A. Cash Flow from Operating activities		
Profit for the period	5,361.80	4,334.32
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	1,320.16	124.27
Depreciation expense	1,836.71	1,369.26
Interest income	(109.48)	(8.33)
Interest expenses	748.61	362.23
Remeasurement Gain / (Loss) on defined benefit plan	17.27	30.94
(Profit)/loss on sale of property, plant & equipments	0.24	-
Operating profit before working capital changes	9,175.31	6,212.69
Adjustments for (increase)/decrease in operating assets		
Inventories	(7,076.12)	(220.70)
Trade receivables	(2,737.28)	1,849.93
Non-current financial Assets	-	32.23
Other non-current assets	(9.71)	6.43
Current financial assets	(3,998.16)	(3,223.78)
Other current assets	1,260.99	(628.73)
Adjustments for increase/(decrease) in operating liabilities		
Non-current liabilities		
Trade Payables	5,320.95	(715.73)
Other current liabilities	7,127.15	4,675.90
Provisions	2.10	10.97
Cash generated from operations	9,065.23	7,999.21
Direct taxes paid	(1,459.79)	(945.62)
Net cash generated from operating activities	7,605.44	7,053.59
B. Cash Flow from Investing activities		
Purchase of property, plant & equipment	(15,644.56)	(8,763.35)
Sale of property, plant & equipment	1.90	1,861.90
Sale/(Purchase) of investment in subsidiary	135.77	3,498.10
Purchase of investments in associates	-	(348.80)
Movement in loans and advances	72.89	(10.07)
Movement in fixed deposit held as margin	(418.61)	(34.16)
Movement in bank balance on account of unpaid dividend	0.72	125.06
Interest received	109.48	8.33
Net cash from/ (used in) investing activities	(15,742.42)	(3,662.99)

Cash Flow Statement for the year ended 31st March, 2018

(₹ in lacs)

C. Cash Flow from Financing activities		
Proceeds from long-term loans	1,584.61	1,073.38
Proceeds from /(Repayment against) working capital borrowings (net)	1,397.87	(1,060.57)
Proceeds from unsecured loans	5,894.05	(3,133.65)
Interest paid	(748.60)	(362.23)
Net cash from/ (used in) financing activities	8,127.93	(3,483.07)
Net increase/(decrease) in cash and cash equivalents	(9.04)	(92.47)
Cash and cash equivalents as at 1 April 2017	129.56	222.03
Cash and cash equivalents as at 31 March 2018	120.52	129.56

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 11)
2. Figures in brackets represent outflows.

As per terms of our report attached

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Regn. No. 001739C

(Amit Kumar Srivastava)

Partner

Membership No. 517195

Place : Gorakhpur

Dated : 21.05.2018

(C.P. Agrawal)

Chairman & Managing Director

(Amit Jalan)

Chief Financial Officer

(S.K. Agrawal)

Whole time Director

(Nitesh Kumar)

Company Secretary

Statements of changes in Equity for the year ended 31st March, 2018

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2016	2,823.61
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at 31 March 2017	2,823.61
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31 March 2018	2,823.61

B. Other Equity

Statement of changes in Equity	Reserves and surplus			Retained earnings		Total Equity
	Security Premium	Amalgamation reserve	Statutory Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2016	17,732.19	412.09	0.46	4,998.82	9,050.05	32,193.61
Profit for the year	-	-	-	-	4,334.32	4,334.32
Other Comprehensive Income	-	-	-	-	47.32	47.32
Less: Tax on items taken to equity	-	-	-	-	16.38	16.38
Balance at March 31, 2017	17,732.19	412.09	0.46	4,998.82	13,415.31	36,558.87
Profit for the period	-	-	-	-	5,361.80	5,361.80
Add: Reserves and surplus of amalgamated entity	-	0.10	-	-	5.12	5.22
Less: Dividend and tax thereon for FY-2016-17	-	-	-	-	169.92	169.92
Other Comprehensive Income	-	-	-	-	26.41	26.41
Less: Tax on items taken to equity	-	-	-	-	9.14	9.14
Balance as at March 31, 2018	17,732.19	411.99	0.46	4,998.82	18,629.58	41,773.24

As per terms of our report attached

For **ANOOP AGARWAL & CO.**

Chartered Accountants

Firm Regn. No. 001739C

(Amit Kumar Srivastava)

Partner

Membership No. 517195

Place : Gorakhpur

Dated : 21.05.2018

(C.P. Agrawal)

Chairman & Managing Director

(Amit Jalan)

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(S.K. Agrawal)

Whole time Director

(Nitesh Kumar)

Company Secretary

Notes to the Financial Statements as at and for the year ended 31st March, 2018

Note -01 General information

1 General corporate information

Gallantt Ispat Limited ('the Company' / 'GIL'), incorporated in the year 2005, is engaged in the business of Iron & Steel, Agro, Power and Real Estate. The Company was promoted by M/s. Gallantt Metal Limited, Mr. Chandra Prakash Agrawal, Mr. Prem Prakash Agrawal, Mr. Nitin Mahavir Prasad Kandoi and M/s. Chandra Prakash Agrawal & Sons (HUF). Company floated its capital base by coming out with Initial Public Offerings of Equity Shares in the year 2010. Company is listed on both the premier stock exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is engaged in manufacturing of Steel and Steel products and having its manufacturing unit at GIDA, Sahajanwa, Dist Gorakhpur in the State of Uttar Pradesh.

2 First time adoption of Ind AS

These financial statement have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period) on accrual basis to comply in all material aspects with the Indian Accounting Standards (herein after referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

These financial statements for the year ended March 31, 2018 has been prepared under Ind AS first time for the Company. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 01, 2016 have been restated in accordance with Ind AS for comparative information.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet

as at April 01, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018.

3 Basis of measurement

These financial statements are prepared under the historical cost convention otherwise indicated.

4 Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operate. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

5 Key estimates and assumptions

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the notes.

6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

"The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant

Notes to the Financial Statements as at and for the year ended 31st March, 2018

unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified."

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note -02 Significant Accounting Policies

1 Property, Plant and Equipment (PPE)

Land, Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production or supply of goods or services or for administrative purposes are carried at cost, less any recognised impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings	: 15 to 60 years
Plant and equipment	: 10 to 40 years
Furniture and Fixtures	: 10 years
Office Equipments	: 5 years
Electrical Installations	: 10 Years
Computers	: 3 years
Two Wheelers	: 10 years
Motor Vehicles & Commercial Vehicles	: 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Further the company has regrouped the classifications of assets wherever required.

2 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its intangible assets

Notes to the Financial Statements as at and for the year ended 31st March, 2018

recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

4 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries

and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

5 Inventories

“Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.”

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the “FIFO (First in First out)” basis.

6 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

7 Financial Assets

i Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii Subsequent Measurement

Financial assets are subsequently / classified and

Notes to the Financial Statements as at and for the year ended 31st March, 2018

measured at
amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv Debt Instruments

- (a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.
- (b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair

value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

8 Financial Liabilities

i Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised

Notes to the Financial Statements as at and for the year ended 31st March, 2018

cost, using the effective interest method.

ii Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

9 Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

10 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

11 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability.

The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

12 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. The Company has assumed the recovery of excise duty flows to the Company on its own account, for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Accordingly revenue includes excise duty for the year ended March 31, 2017 and for the period from April 1, 2017 to June 30, 2017. From July 1, 2017 the revenue excludes Goods and Service Tax (GST) collected from customers.

i) Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits

Notes to the Financial Statements as at and for the year ended 31st March, 2018

will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on ground of prudence.

13 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

14 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

15 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted

amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

16 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable

Notes to the Financial Statements as at and for the year ended 31st March, 2018

temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic

benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

₹ lakhs

03. Property, plant and equipment	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Carrying amount of:			
Land	2,047.79	2,021.75	2,040.07
Buildings	6,402.11	7,162.09	7,742.62
Plant and machinery	35,389.01	12,888.93	15,252.37
Electrical installation and Equipments	323.05	439.64	556.24
Furniture and fixtures	7.90	10.49	13.07
Office equipments	79.06	17.22	19.93
Motor vehicles	305.44	120.45	143.74
Computers	3.69	5.76	11.14
Railway sidings	554.55	614.46	674.37
Other Assets	1,762.52	419.54	459.10
Total	46,875.12	23,700.31	26,912.65

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

03.	Tangible assets										
As at 31.03.2018											
	Freehold Land	Freehold Buildings	Plant and Machinery	Electrical Installations and Equipments	Furniture and fixtures	Office Equipments	Vehicles	Computers	Railway sidings	Other assets	Total Tangible Assets
Cost at beginning of period	2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Additions	26.05	2,399.59	21,164.38	-	-	67.16	224.89	0.23	-	1,249.16	25,131.47
Disposals	-	-	-	-	-	-	(7.16)	-	-	-	(7.16)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(3,563.20)	3,348.31	-	-	-	-	-	-	214.89	-
Cost at end of period	2,047.79	7,823.03	44,838.59	1,036.28	23.05	120.80	522.62	57.07	900.91	2,097.15	59,467.29
Depreciation at beginning of period	-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	178.14	1,469.58	116.59	2.58	5.32	37.77	2.30	59.91	82.33	1,954.53
Disposals	-	-	-	-	-	-	(5.03)	-	-	-	(5.03)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(581.78)	543.03	-	-	-	-	-	-	38.74	-
Depreciation at end of period	-	1,420.92	9,449.58	713.23	15.14	41.74	217.18	53.38	346.37	334.63	12,592.17
Net book value at beginning of period	2,021.75	7,162.09	12,888.93	439.64	10.49	17.22	120.45	5.76	614.46	419.54	23,700.31
Net book value at end of period	2,047.79	6,402.11	35,389.01	323.05	7.90	79.06	305.44	3.69	554.55	1,762.52	46,875.12

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

03.	Tangible assets	Freehold Land	Freehold Buildings	Plant and Machinery	Electrical Installations and Equipments	Furniture and fixtures	Office Equipments	Vehicles	Computers	Railway sidings	Other assets	Total Tangible Assets
As at 31.03.2017												
Cost at beginning of period		2,040.07	9,465.16	21,968.72	1,036.28	23.05	51.74	308.73	60.01	900.91	632.11	36,486.79
Additions relating to acquisitions		-	-	-	-	-	-	-	-	-	-	-
Additions		-	15.00	66.50	-	-	3.41	28.31	-	-	21.31	134.54
Disposals		(18.32)	(493.52)	(1,709.32)	-	-	(1.52)	(32.14)	(3.18)	-	(20.33)	(2,278.34)
Disposal of group undertakings		-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies		-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)		-	-	-	-	-	-	-	-	-	-	-
Exchange differences capitalised		-	-	-	-	-	-	-	-	-	-	-
Exchange differences on consolidation		-	-	-	-	-	-	-	-	-	-	-
Cost at end of period		2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98
Depreciation at beginning of period		-	1,722.54	6,716.36	480.04	9.98	31.81	164.98	48.88	226.54	173.02	9,574.15
Additions relating to acquisitions		-	-	-	-	-	-	-	-	-	-	-
Charge for the period		-	155.88	1,046.09	116.59	2.58	6.06	35.69	4.94	59.91	57.21	1,484.96
Disposals		-	(53.88)	(325.48)	-	-	(1.45)	(16.23)	(2.74)	-	(16.66)	(416.44)
Disposal of group undertakings		-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies		-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)		-	-	-	-	-	-	-	-	-	-	-
Depreciation at end of period		-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67
Net book value at beginning of period		2,040.07	7,742.62	15,252.37	556.24	13.07	19.93	143.74	11.14	674.37	459.10	26,912.64
Net book value at end of period		2,021.75	7,162.09	12,888.93	439.64	10.49	17.22	120.45	5.76	614.46	419.54	23,700.31

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

04. Intangible assets (Acquired)			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Computer software	0.25	0.25	0.40
	0.25	0.25	0.40

Cost or deemed cost	Computer Software
Balance at April 1, 2016	8.19
Balance at March 31, 2017	8.19
Balance at March 31, 2018	8.19
Accumulated depreciation	
Balance at April 1, 2016	-
Depreciation expense	7.79
Balance at March 31, 2017	0.15
Balance at March 31, 2018	7.94
Carrying amount	
Balance at April 1, 2016	0.40
Depreciation expense	(0.15)
Balance at March 31, 2017	0.25
Balance at March 31, 2018	0.25

05. Non-current investments							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Qty	Amount	Qty	Amount	Qty	Amount
		Nos.	₹ lakhs	Nos.	₹ lakhs	Nos.	₹ lakhs
(A)	Investments in subsidiaries (carried at cost)						
	Unquoted Investments (all fully paid)						
	Investments in Equity Instruments of						
	Surabhi Flour Mill Private Limited at face value of ₹ 10 each.	-	-	-	-	2,00,00,000	2,000.00
	Surabhi Wheat Products Private Limited at face value of ₹ 10 each.	-	-	-	-	2,00,00,000	2,000.00
	Shrinu Steel Works Private Limited at face value of ₹ 10 each	-	-	1,00,000	1.00	-	-
	Shrinu Agro Private Limited at face value of ₹ 10 each	-	-	1,00,000	1.00	-	-
	Bhavika Steel Agencies Private Limited at face value of ₹ 10 each	-	-	2,80,000	91.00	-	-
	Shikharji Rolling Mills Private Limited at face value of ₹ 10 each	-	-	2,80,000	91.00	-	-
	Satlaj Ispat Private Limited at face value of ₹ 10 each	-	-	2,50,000	76.00	-	-
	Satlaj Flour Mills Private Limited at face value of ₹ 10 each	-	-	2,50,000	76.00	-	-
	Shikharji Steel & Agro Products Private Limited at face value of ₹ 10 each	-	-	2,80,000	91.00	-	-
	Gyanika Flour Mills Private Limited at face value of ₹ 10 each	-	-	2,48,000	74.90	-	-
	Shrinu Rolls & Milling Pvt. Ltd. at face value of ₹ 10 each	2,60,000	201.42	-	-	-	-
	Satlaj Rolls & Milling Pvt. Ltd. at face value of ₹ 10 each	9,85,340	55.90	-	-	-	-
	Antakmukh Steel Manufacturer Pvt. Ltd. at face value of ₹ 10 each	9,37,900	53.76	-	-	-	-
	Bhavika Smelters And Food Products Pvt. Ltd. at face value of ₹ 10 each	10,03,000	55.05	-	-	-	-
			366.13		501.90		4,000.00

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Qty	Amount	Qty	Amount	Qty	Amount
		Nos.	₹ lakhs	Nos.	₹ lakhs	Nos.	₹ lakhs
(B)	Investments in associates (carried at cost)						
	Quoted Investments (all fully paid)						
	Investments in Equity Instruments of						
	Gallantt Metal Limited at face value of ₹ 10 each.	3,94,62,895	4,267.98	3,94,62,895	4,267.98	3,78,62,895	3,919.18
(C)	Other Investments						
	Total Investments carrying value						
	Unquoted Investments (all fully paid)						
	Investments in Equity Instruments		-		-		11.00
	Total aggregate quoted investments		4,634.11		4,769.88		7,930.18
	Aggregate book value of quoted investments		4,267.98		4,267.98		3,919.18
	Aggregate book value of un'quoted investments		366.13		501.90		4,011.00
	Aggregate market value of quoted investments		15,903.55		16,613.88		10,222.98

06. Other non-current financial assets (Unsecured Considered good)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Security deposit	0.87	0.87	33.10
	0.87	0.87	33.10

07. Other non-current assets

Advance with public bodies			
i) Excise	34.00	41.65	48.53
ii) Sales tax/Value added tax	14.12	35.13	34.68
Others / Capital Advance	38.37	1,800.81	-
	86.49	1,877.59	83.21

08. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:			
Deferred tax assets	4,470.02	3,750.56	2,711.54
Deferred tax liabilities	(3,281.77)	(2,853.36)	(2,656.51)
	1,188.25	897.20	55.03

09. Inventories (At lower of cost and net realisable value)

Raw materials (At lower of cost and net realisable value)	8,003.56	3,053.11	2,083.61
Finished products (At lower of cost and net realisable value)	2,432.96	439.89	1,286.55
Stores and spare parts (At or lower than cost)	1,504.73	1,228.42	1,009.45
	11,941.25	4,721.42	4,379.61
Land at real estate business	224.26	367.97	489.08
Total inventories	12,165.51	5,089.39	4,868.69

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(₹ in lacs)

10. Trade receivables			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Outstanding for a period of exceeding six months(from the date they were due for payment)			
Considered good	350.03	331.20	344.62
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	350.03	331.20	344.62
Others (Refer note below)			
Considered good	4,405.89	1,687.44	3,523.95
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	4,405.89	1,687.44	3,523.95
Total Trade Receivable	4,755.92	2,018.64	3,868.57
	4,755.92	2,018.64	3,868.57
11. Cash and bank balances			
Cash and cash equivalents			
Cash on hand	111.21	24.39	215.55
Balances with banks			
In current accounts	9.31	105.17	6.48
In deposit accounts	-	-	-
Total cash and cash equivalents	120.52	129.56	222.03
Other bank balances			
In current accounts (held for unpaid dividend)	0.52	1.24	126.30
In deposit account (held as margin)	625.35	206.74	172.58
Total Other bank balances	625.87	207.98	298.88
Total cash and bank balances	746.39	337.54	520.91
Included above			
Earmarked balance for unpaid dividend	0.52	1.24	126.30
Earmarked balance for margin against letters of credit	625.35	206.74	172.58
12. Other financial assets			
Incentive receivable from government (PICUP)	24,347.39	20,349.23	17,125.45
(Refer Note No.- 46 & 48)			
Loans & Advances	174.56	247.45	237.38
	24,521.95	20,596.68	17,362.83

Notes to the Financial Statements as at and for the year ended 31st March, 2018

13. Other current assets	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance with public bodies			
Service tax	-	6.15	38.38
Excise	-	222.69	104.61
Sales tax/Value added tax	-	112.11	57.17
Others	-	124.62	216.79
	-	465.57	416.95
Other loans and advances			
Advance to suppliers	1,288.12	2,007.84	1,518.54
Other advances and prepayments			
Prepayments	27.72	30.04	24.36
Others	29.74	103.12	17.99
	57.46	133.16	42.35
	1,345.58	2,606.57	1,977.84

14. Share capital	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised:			
466,85,000 Equity Shares of ₹ 10 each	4,668.50	4,650.00	4,650.00
(as at March 31, 2017: 465,00,000; as at April 1, 2016: 465,00,000 Equity Shares of ₹ 10 each)			
	4,668.50	4,650.00	4,650.00
During the year Eight Wholly Owned Subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited amalgamated with the Company. Pursuant to the Scheme of Amalgamation of these Companies Authorised Share Capital of these Companies amounting to ₹ 18,50,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 46,68,50,000/-			
Issued, Subscribed and fully paid up:			
28,236,072 Equity Shares of ₹ 10 each	2,823.61	2,823.61	2,823.61
(as at March 31, 2017 : 28,236,072; as at April 1, 2016: 28,236,072 Equity Shares of ₹ 10 each)			
	2,823.61	2,823.61	2,823.61

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	No. of Shares	Amount ₹ lakhs	No. of Shares	Amount ₹ lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning & end of the year	2,82,36,072	2,823.61	2,82,36,072	2,823.61
Issued during the year	-	-	-	-
At end of the year	2,82,36,072	2,823.61	2,82,36,072	2,823.61

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2018		As at 31.03.2017	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Gallantt Metal Limited	72,51,992	25.68%	72,51,992	25.68%
Chandra Prakash Agrawal	52,34,004	18.54%	52,34,004	18.54%
AAR Commercial Co. Ltd.	33,90,526	12.01%	33,90,526	12.01%
Camellia Tradelink Private Limited	15,84,350	5.61%	-	-

Rights, preferences and restrictions attached to shares

Equity Shares

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

15. Other Equity	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Securities premium	17,732.19	17,732.19	17,732.19
Amalgamation reserve	412.19	412.09	412.09
General reserve	4,998.82	4,998.82	4,998.82
Statutory reserve	0.46	0.46	0.46
Retained Earnings	18,629.58	13,415.31	9,050.05
	41,773.24	36,558.87	32,193.61
Securities premium			
Opening and closing balance	17,732.19	17,732.19	17,732.19
Amalgamation reserve			
Opening balance	412.09	412.09	412.09
Add: Amalgamation reserve of merged entity	0.10	-	-
Closing balance	412.19	412.09	412.09
General reserve			
Opening and closing balance	4,998.82	4,998.82	4,998.82
Statutory reserve			
Opening and closing balance	0.46	0.46	0.46
Retained Earnings			
Opening balance	13,415.31	9,050.05	9,050.05
Profit for the period	5,361.80	4,334.32	-
Add: Reserves and surplus of amalgamated entity	5.12	-	-

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(₹ in lacs)

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15. Other Equity			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Less: Dividend and tax thereon for FY-2016-17	169.92	-	-
Other Comprehensive Income	26.41	47.32	-
Tax impact on above	9.14	(16.38)	-
Closing balance	18,629.58	13,415.31	9,050.05
	41,773.24	36,558.87	32,193.61

16. Long-term Borrowings			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred VAT/CST Payable (Interest free)	9,491.64	9,338.84	8,791.40
Term Loan			
From Banks (HDFC Bank Ltd)	2,870.09	-	-
Less Current Maturities of Term Loan	(412.34)	-	-
	2,457.75	-	-
	11,949.39	9,338.84	8,791.40

During the year company has been sanctioned and disbursed a term loan of ₹ 3000.00 lacs from HDFC Bank Ltd for plant and machineries for expansion of its capacity at GIDA, Sahjanwa, Gorakhpur.

Security:

* Primary Security : Term loan is secured by way of first pari passu charge by way of hypothecation of Plant & machineries and equipment acquired for expansion of project of the company.

* Collateral Security: Term loan is further secured by way of first pari passu charge with consortium banking arrangement member bank (SBI) by way of equitable mortgage of the company's immovable property viz; Factory Land & Building at GIDA, Sahjanwa, Gorakhpur

* Loan is further secured by personal guarantee of Directors namely Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal, Mr. Prem Prakash Agrawal and Mr. Nitin Mahavir Prasad Kandoi.

Repayment:

Term loan is repayable in 72 equal monthly installments of ₹ 53.26 lakh(including interest) starting from 07th December 2017.

17. Provisions			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non-current			
Provision for employee benefits			
Retirement gratuity	17.58	32.75	52.72
	-	-	-
	17.58	32.75	52.72

18. Other Non-current Liabilities			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred income (Capital subsidy)	1,359.30	2,503.06	2,092.98
	1,359.30	2,503.06	2,092.98

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

19. Current Borrowings			
A. Secured - at amortised cost			
Repayable on demand			
From banks			
Cash credit	5,488.52	4,502.99	5,563.56
Other loans			
Current Maturity of Term Loan from HDFC	412.34	-	-
Total secured borrowings	5,900.86	4,502.99	5,563.56
B. Un Secured - at amortised cost			
Unsecured loans	5,894.05	-	3,133.65
Total unsecured borrowings	5,894.05	-	3,133.65
Total borrowings	11,794.91	4,502.99	8,697.21

- The above working capital loan from bank(SBI & HDFC) is secured by first pari Passu charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts-present and future.

The loan is further secured by way of hypothecation of plant & machineries and equipment of the company alongwith consortium banking arrangement member bank (SBI)

- The above working capital loan is further secured by the personal guarantee of Sri C. P. Agrawal, Sri P.P Agarwal, Shri S.K. Agarwal and Shri Nitin Mahavir Prasad Kandoi.

20. Trade Payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,075.41	743.23	1,443.27
Creditors for accrued wages and salaries	49.53	60.76	76.45
Total trade payables	6,124.94	803.99	1,519.72

21. Other Current Financial Liabilities			
Unpaid dividends	0.52	1.24	126.30
Creditors for purchase of fixed assets	-	154.40	-
Total other current financial liabilities	0.52	155.64	126.30

22. Other Current Liabilities			
Advance received from customers	871.37	872.18	1,175.70
Advance against property	19,077.00	12,175.00	8,015.00
Employee recoveries and employer's contributions	7.08	6.65	5.95
Statutory dues	454.39	34.55	60.86
Other credit balances	1,415.42	1,609.73	764.70
Total other liabilities	21,825.26	14,698.11	10,022.21

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(₹ in lacs)

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23. Revenue from operations		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Sale of Products		
Sale of finished goods	57,301.49	45,233.27
Sale of other products	339.46	205.51
Total Sale of Products	57,640.95	45,438.78
Revenue from real estate business	1,047.28	1,040.32
Revenue from Operations (Net)	58,688.23	46,479.10
24. Other Income		
Interest income		
From fixed deposits	109.48	8.33
Gain on foreign currency transactions (net)	8.86	3.72
Miscellaneous income	34.55	28.91
Total other income	152.89	40.96
25. Cost of materials consumed		
Raw materials consumed		
Opening stock	3,053.11	2,083.61
Add: Purchases	48,268.16	29,969.44
	51,321.27	32,053.05
Less: Closing stock	8,003.56	3,053.11
	43,317.71	28,999.94
Cost of land sold	143.70	121.12
Total cost of materials consumed	43,461.41	29,121.06
26. Changes in inventories of finished products		
Inventories at the beginning of the year		
Finished products	439.89	1,286.55
Work-in-progress	-	-
	439.89	1,286.55
Inventories at the end of the year		
Finished products	2,432.96	439.89
Work-in-progress	-	-
	2,432.96	439.89
Net (increase)/decrease	(1,993.07)	846.66
27. Employee benefits expense		
Salaries and wages, including bonus	1,259.30	899.41
Company's contribution to provident and other funds	48.52	86.23
Workmen and staff welfare expenses	32.82	13.32
Total employee benefits expense	1,340.64	998.96
28. Finance costs		
Interest expense	748.61	362.23
Bank charges	108.56	61.55
Total finance costs	857.17	423.78

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

29. Depreciation expense			
		For the year ended 31.03.2018	For the year ended 31.03.2017
Depreciation on tangible assets		1,954.53	1,485.12
Less: Release from capital subsidy		(117.82)	(115.86)
Total depreciation expense		1,836.71	1,369.26
30. Excise duty			
Excise duty on sale of finished products		1,142.78	4,008.49
Total excise duty		1,142.78	4,008.49
31. Other expenses			
Manufacturing expenses			
Consumption of stores, spare parts and loose tools		909.60	849.38
Repairs to plant and machinery		227.40	212.34
Repairs to others		205.05	114.41
Handling expenses		635.81	553.39
Power and fuel		2,371.97	3,475.56
Packing material consumed		112.92	160.12
		4,462.75	5,365.20
Selling and administrative expenses			
Rates, taxes and licenses		48.73	73.14
Electricity expenses		23.97	16.01
Insurance charges		50.70	46.40
Environment expenses		226.02	267.56
Selling and distribution expenses		327.02	284.11
Legal and professional fee		54.20	21.48
Travelling and conveyance expenses		87.93	55.10
Telephone expenses		12.19	13.32
Directors' remuneration		84.00	52.80
Corporate social responsibility expenses		72.00	55.00
Printing and stationery		4.09	2.84
Loss on sale of fixed assets		0.24	-
Audit fees		3.55	4.58
Other general expenses		56.13	51.32
		1,050.77	943.66
Total other expenses		5,513.52	6,308.86
32. Income tax recognised in profit and loss			
Current tax			
In respect of the current year		1,431.67	982.82
In respect of prior years		188.66	-
		1,620.33	982.82
Deferred tax			
Deferred Tax Liabilities pursuant to timing difference in respect of the current year		412.26	124.27
Deferred Tax Assets pursuant to MAT Credit in respect of the current year		(712.43)	(982.82)
		(300.17)	(858.55)
Total tax expense		1,320.16	124.27

33. Earnings per share		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year/period	5,361.80	4,334.32
Weighted average number of equity shares for the purpose of basic earnings per share	2,82,36,072	2,82,36,072
Basic and diluted earnings per share	18.99	15.35
The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		

34 Segment information

34.01 Products and services from which reportable segment derives their revenues

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Steel
- Power
- Agro
- Real Estate

The Company's chief operating decision maker is the Chairman & Managing Director.

Revenue and expenses directly attributable to segment are reported under each reportable segment. All other expenses which are not allocable to segments have been disclosed as Unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

34.02

	Segment Revenue		Segment Profit	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Agro	7,833.54	7,652.11	491.82	379.16
Steel	49,807.41	37,786.67	1,951.93	(604.97)
Power	8,342.62	5,845.50	4,306.78	3,494.87
Real Estate	1,047.28	1,040.32	903.58	919.21
Un-allocated income	152.89	1,056.56	-	-
	67,183.74	53,381.16	7,654.11	4,188.27
Inter-segment revenue	8,342.62	5,845.50	-	-
Total Revenue	58,841.12	47,535.66	7,654.11	4,188.27

Notes to the Financial Statements as at and for the year ended 31st March, 2018

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	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest costs	857.17	423.78
Unallocated expenses/(income)	114.97	321.50
Profit before exceptional items and tax	6,681.97	3,442.99
Exceptional items	-	1,015.60
Profit before tax	6,681.97	4,458.59
Tax expenses	1,320.16	124.27
Profit after tax	5,361.81	4,334.32

34.03 Capital Employed

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Agro	175.27	28.39	416.53
Steel	27,750.47	24,432.30	20,723.41
Power	6,869.82	7,056.42	7,348.92
Real Estate	778.35	611.88	1,288.54
Un-allocated income	9,022.94	7,253.49	5,239.82
	44,596.85	39,382.48	35,017.22

35 Employee Benefit plans

35.01 Defined contribution plans

Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees provident Fund organisation established under the Employee's Provident fund and Misc. Provision Act 1952 charges to the statement of Profit and Loss when the contribution to the respective funds are due.

35.02 Defined benefit plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

The amount recognised in the Company's financial statements as at the year end as under:

	For the year ended 31.03.2018	For the year ended 31.03.2017
Movement in the fair value of the plan assets		
Opening fair value of plan assets	96.81	75.00
Acquisition adjustment	-	-
Interest income on plan assets	7.45	5.44
Employer's contribution	34.23	15.29
Return on plan assets greater / (lesser) than discount rate	(3.12)	1.09
Benefits paid	-	-
Closing fair value of plan assets	135.38	96.81

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Movement in the present value of the defined benefit obligation		
Opening defined benefit obligation	129.56	127.72
Current service cost	37.69	38.82
Interest cost	9.98	9.26
Plan Amendments: Vested portion at end of period (Past Service)	5.26	-
Remeasurement gain(loss)		
(i) Actuarial (gains) loss arising from changes in demographic assumptions		
(ii) Actuarial (gains) loss arising from changes in financial assumptions	(12.74)	16.79
(iii) Actuarial (gains) loss arising from experience adjustments	(16.79)	(63.03)
Benefits paid		
Exchange difference on foreign plans	-	-
Closing defined benefit obligation	152.96	129.56
Components of defined benefit costs recognised:		
I. Components of defined benefit costs recognised in profit and loss		
(a) Service Costs:		
- Current service cost	37.69	38.82
- Past service cost and (gain)/loss from settlements	5.26	-
(b) Net interest expenses	2.52	3.82
Subtotal	45.47	42.64
II. Components of defined benefit costs recognised in other comprehensive income		
(a) Remeasurement on the net defined benefit liability:		
- Return on plan assets (excluding amounts included in net interest expense)	3.12	(1.09)
- Actuarial (gains) loss arising from changes in demographic assumptions	-	-
- Actuarial (gains)/loss arising from changes in financial assumptions	(12.74)	16.79
- Actuarial (gains)/loss arising from experience adjustments	(16.79)	(63.03)
(b) Adjustments for restrictions on the defined benefit asset		
Subtotal	(26.41)	(47.33)
Total defined benefit cost recognised	19.06	(4.69)
	As at 31.03.2018	As at 31.03.2017
Amount included in the standalone balance sheet arising from defined benefit plan obligation		
Present value of funded defined benefit obligation	152.96	129.56
Fair value of plan assets	(135.38)	(96.81)
Funded status	17.58	32.75
Net liability arising from defined benefit obligation	17.58	32.75
Principal assumption used for the purpose of the actuarial valuation		
Mortality Table	IALM. (2006-08) Ultimate	IALM. (2006-08) Ultimate
Discount rate	7.70%	7.25%
Expected rate(s) of salary income	9.00%	9.00%

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Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	(increase)	(Decrease)	(increase)	(Decrease)
Discount Rate (0.5% movement)	140.18	167.23	118.05	14.25
Salary escalation rate (0.5% movement)	166.50	140.54	140.59	11.92
Withdrawal Rate (0.5% movement)	152.70	153.21	129.32	12.98

36 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes [16] and [19] offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Debt			
Current borrowings	11,794.91	4,502.99	8,697.21
Cash and bank balances	120.52	129.56	222.03
Net debt	11,674.39	4,373.43	8,475.18
Total equity	44,596.85	39,382.48	35,017.22
Equity share capital	2,823.61	2,823.61	2,823.61
Other equity	41,773.24	36,558.87	32,193.61
Net debt to equity ratio	0.26	0.11	0.24

37 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

37.01 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Notes to the Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial Liabilities				
Hedged				
Trade Payable	USD	-	-	-
	INR	-	-	-
Unhedged				
Trade Payable	USD	65.29	7.77	16.26
	INR	4,252.90	504.02	1,078.73

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

37.02 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
More than Six months	350.03	331.20	344.62
Others	4,405.89	1,687.44	3,523.95
	4,755.92	2,018.64	3,868.57

37.03 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to

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managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

38 RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)

Name of Related Party and Description of Relationship:

I.	Associate or Subsidiary Company & Firm	Gallantt Metal Ltd
		Chandra Prakash Agrawal & Sons (HUF)
		Prem Prakash Agrawal HUF
		Santosh Kumar Agrawal HUF
		Bhavika Smeltors and Food Products Private Limited
		Shrinu Rolls and Milling Private Limited
		Satlaj Rolls and Milling Private Limited
		Antarmukh Steel Manufacturer Private Limited
		Gallantt Foundation
II.	Key Managerial Personnel	Mr. Chandra Prakash Agrawal, Chairman & Managing Director
		Mr. Prem Prakash Agrawal, Whole Time Director
		Mr. Nitin Mahavir Prasad Kandoi, Whole Time Director
		Mr. Santosh Kumar Agrawal, Whole Time Director
		Mr. Mayank Agrawal, Chief Executive Officer
		Mr. Amit Jalan, Chief Financial Officer
		Mr. Nitesh Kumar, Company Secretary
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal (Wife of Mr CP Agrawal)
		Mr. Ashutosh Agrawal (Son of Mr SK Agrawal)
		Mrs. Smriti Agrawal (Daughter in Law of Mr SK Agrawal)
		Mrs. Shyama Agrawal (Wife of Mr PP Agrawal)
		Mrs. Shruti Kandoi (Wife of Mr Nitin Kandoi)
		Mrs. Pallavi Agrawal (Wife of Mr Mayank Agrawal)
		Mrs. Uma Agrawal (Wife of Mr SK Agrawal)

Related Party Transaction:

Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	-	116.81	63.00	179.81
	-	(86.18)	(50.40)	(136.58)
Purchase	22.12	-	-	22.12
	(30.78)	-	-	(30.78)
Sale	14.24	-	3.28	17.52
	(74.09)	-	-	(74.09)
Advance Received Against Land	6,902.00	-	-	6,902.00
	-	-	-	-
CSR Expenses contributed	72.00	-	-	72.00
	-	-	-	-
Medical Expenses Re-imbursed	-	3.00	-	3.00
	-	-	-	-

Amount shown in bracket () denotes previous year figures.

39 First Time Adoption of IND AS
39.01 Transition to IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act 2013, read together with the relevant Rules thereunder ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and Effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

39.02 Optional Exemption Availed
(i) Deemed Cost

The Company has elected to continue with the carrying value for (written down value) all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP

(ii) Deemed cost for investments in Associates

The Company has elected to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has measured all its investments in associates at their previous GAAP carrying value.

(iii) Business Combination

Ind AS 101 provided the option to apply Ind AS 103 prospectively from the transition date or specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business

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combination occurring after its transition date. Business combination prior to the transition date have not been restated.

39.03 Mandatory Exceptions from retrospective application

(i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

(iii) Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

39.04 Reconciliation of Equity

Particulars	For the year ended 31.03.2017
Equity share capital as reported under IGAAP	2,823.61
Other Equity as reported under IGAAP	36,623.18
Total Equity	39,446.79
Add- Effect of accounting for Interest Free Loan	9.18
Add- Effect of de-recognition of proposed dividend and tax thereon	169.92
Add- Effect of Capital Reserve and other on consolidation	-
Less- Effect of accounting for Capital subsidy	-117.13
Less- Effect of accounting for employee benefits	-14.51
Less- Effect of Deffered Tax Calculations	-111.77
Total Equity after Ind As Adjustment	39,382.48
Equity share capital as reported under Ind AS	2,823.61
Other Equity as reported under Ind AS	36,558.87
Total Equity	39,382.48

39.05 Reconciliation of Total Comprehensive Income

Particulars	For the year ended 31.03.2017
Profit /(loss) after tax as reported under IGAAP	4424.71
Impact of accounting for Government grants	-119.23
Re classification of Actural loss on defined benefit plan	-27.26
Other adjustments	-0.09
Tax adjustments	56.19
Profit /(loss) after tax as reported under Ind AS	4334.32
Other comprehensive income (net of tax)	30.94
Total comprehensive income as reported under Ind AS	4365.26

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40 First Time Adoption of IND AS

Fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial Assets:			
Investment - Non -current	4,634.11	4,769.88	7,930.18
Security deposits - Non - current	0.87	0.87	33.10
Trade receivables	4,755.92	2,018.64	3,868.57
Cash and cash equivalents	120.52	129.56	222.03
Other bank balances	625.87	207.98	298.88
Loan - Current	174.56	247.45	237.38
Other Financial assets - Current	24,347.39	20,349.23	17,125.45
Total	34,659.24	27,723.61	29,715.59
Financial Liabilities			
Borrowings - Current	11,794.91	4,502.99	8,697.21
Trade payable	6,124.94	803.99	1,519.72
Derivative financial liabilities	-	-	-
Other financial liabilities	0.52	155.64	126.30
Total	17,920.37	5,462.62	10,343.23

41 Contingent liabilities

	As at 31.03.2018
(i) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00
(ii) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	356.00
(iii) Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00
(iv) Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00
(v) Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	38.31
(vi) Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	131.00
(vii) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	18.75

Sub Notes:

- 1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- 2 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

42 Corporate Social Responsibility Contribution (CSR Expenses)

	As at 31.03.2018	As at 31.03.2017
a) Gross amount required to be spent by the company during the year	70.50	52.23
b) Amount spent during the year on		
Contribution to a trust i.e Gyan Jyoti Education	-	55.00
Contribution to a trust i.e Gallantt Foundation	72.00	-

43 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

- 44 Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

45 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.

- 46 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 2006 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 ₹ 10828.03 lacs up to 30th June 2017 (upto previous year ₹ 10373.96 Lacs) on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹10828.03 lacs, ₹ 9255.64 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, and order in writ petition no. 21103 dated 16.11.2016. However, ₹ 1572.39 Lacs have already been deposited upto August, 2011.

Further as the GST act has replaced the VAT and CST w.e.f. 01.07.2017, the amount of SGST paid to the Governemnt account will be eligible for interest free loan under the scheme. company has already deposited ₹ 1180.85 lacs against SGST for the period 1st July 2017 to 31st March 2018 against the quantity produced from the old unit, which is refundable as interest free loan.

- 47 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 2006 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.

- 48 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 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. The total amount of freight subsidy is restrcited to 65% of the total capital investment under the scheme that comes ₹ 22775.00. Since company has already claimed ₹ 18776.84 lacs till

Notes to the Financial Statements as at and for the year ended 31st March, 2018

March 2017 as such only ₹ 3998.16 lacs is available to be claimed as freight subsidy. During the year company has paid a total freight amount of ₹ 4211.71 Lacs but company has provided only ₹ 3998.16 lacs (Previous year ₹ 3223.77 lacs). This has been adjusted with freight paid on Iron Ore in Profit Loss account and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2018 was ₹ 22775.00 lacs (Previous year ₹ 18776.84 Lacs).

- 49** During the year company has started commercial production from its new expansion project at GIDA Sahjanwa, which has been established under Industrial Development Policy 2012 of State Government of Uttar Pradesh. Under the scheme company is eligible to get refund of 80% of the SGST amount deposited in Government account. Company has commenced its commercial production of expanded capacity covered under this scheme from 01.12.2017. A total amount of ₹ 1931.61 Lacs has been paid as SGST from December 2017 to March 2018. Out of this amount ₹ 1175.85 Lacs is related to quantity produced from old unit and ₹ 755.76 Lacs is related to the quantity produced from expansion. As per scheme company is entitled for refund of 80% of the amount deposited as SGST which comes to ₹ 604.61 Lacs for this period.
- 50** By its order dated January 08, 2018, the Office of Regional Director (ER), Ministry of Corporate Affairs has sanctioned and approved the Scheme of Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited with Gallantt Ispat Limited. Pursuant to the Scheme sanctioned as above, Company has acquired four Wholly Owned Subsidiaries viz, M/s. Antarmukh Steel Manufacturer Private Limited, Bhavika Smelters and Food Products Private Limited, Shrinu Rolls and Milling Private Limited AND Satlaj Rolls and Milling Private Limited. At their meeting held on January 24, 2018, Board of Directors of the Company has approved Scheme of Amalgamation of these four Subsidiary Companies with the Company. Company has one Associate Gallantt Metal Limited in which Company holds more than twenty percent shares.
- 51** In the Quarter ended on December 31, 2017 Company had made provision for exceptional income of ₹ 1,032.69 Lacs arising out of and based on the Order of Honorable Supreme Court in matter of electricity duty rebate dispute pending with Uttar Pradesh Power Corporation Limited (hereinafter referred to as the "UPPCL"). As per the Order of Honorable Supreme Court, Company is eligible to avail electricity duty rebate which comes at ₹ 1,032.69 Lacs. In compliance with order of the Hon'ble Supreme Court, Department of Energy, Govt. of UP has issued a notification dated 05.02.2018 which specifies that amount of electricity duty rebate for prior period shall be adjusted against electricity duty only after 21.01.2020. Since, the company expands the capacity of Power Plants and hence, the Company will not require purchasing electricity from Government bodies and hence, the amount of electricity duty cannot be adjusted against the electricity rebate. Therefore, the amount of Electricity duty rebate has been reversed in books which were provided as exceptional income.
- 52** Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on Consolidated Financial Statements

Report on the consolidated financial statements

We have audited the accompanying consolidated IND AS financial statements of GALLANTT ISPAT LIMITED ('The Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated IND AS financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Company in accordance with the accounting principles Generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated IND AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated IND AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit of the consolidated IND AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated IND AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated IND AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated IND AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated IND AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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.

- in the case of the Balance Sheet, of the consolidated state of affairs of the Company as at 31st March, 2018;
- in the case of the consolidated Statement of Profit & Loss, of the Profit of the Company for the year ended on that date;

Independent Auditor's Report on Consolidated Financial Statements

- c) in the case of the consolidated Statement of changes in equity on that date; and
- d) in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matters

The Comparative financial information of the group for the year ended 31st March 2017 and the transition date opening balance sheet as at 01st April 2016 included in these consolidated IND AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our reports for the year ended 31st March 2017 and 31st March 2016 dated 04th May 2017 and 30th May 2016 respectively expressed an unmodified opinion those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the group on transition to the IND AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on other legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the auditor's report on Consolidated IND AS Financial Statements.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C
(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: 21.05.2018

Annexure A to the Independent Auditor's Report to the Shareholders

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated IND AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of **GALLANTT ISPAT LIMITED** ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(**Amit Kumar Srivastava**)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: 21.05.2018

Consolidated Balance Sheet as at 31st March, 2018

(₹ in lacs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(I) ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	03	46,875.12	23,700.31	26,942.46
(b) Intangible assets	04	0.25	0.25	0.40
(c) Capital work in progress		1,111.71	9,134.93	2,297.52
		47,987.08	32,835.49	29,240.38
(d) Financial assets				
(i) Investments	05			
a) Investments in subsidiaries		-	-	-
b) Investments in associates		16,454.12	14,061.78	12,230.77
c) Other investments		-	421.56	11.00
(ii) Other financial assets	06	0.87	0.95	66.64
(iii) Derivative Assets		-	-	-
(e) Other non-current assets	07	86.49	1,877.59	1,383.39
(f) Deferred tax assets (Net)	08	1,188.25	897.20	55.11
(g) Advance Income tax assets (net)		237.33	406.21	1,070.13
		65,954.14	50,500.78	44,057.41
(2) Current Assets				
(a) Inventories	09	12,165.51	5,089.39	5,399.91
(b) Financial assets		-	-	-
(i) Trade receivables	10	5,188.39	2,018.64	3,976.90
(ii) Cash and cash equivalent	11	136.49	215.12	256.48
(iii) Other balances with Bank	11	625.87	207.98	514.54
(iv) Other financial assets	12	24,522.95	20,596.68	17,362.83
(c) Other current assets	13	1,345.58	2,606.57	2,014.31
		43,984.79	30,734.38	29,524.97
TOTAL ASSETS		1,09,938.93	81,235.16	73,582.38
(II) EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	14	2,823.61	2,823.61	2,823.61
(b) Other equity	15	73,079.39	46,356.16	40,560.42
		75,903.00	49,179.77	43,384.03
Minority Interest				6.14
(2) Non-current liabilities				
(a) Borrowings	16	11,949.39	9,338.84	9,041.40
(b) Provisions	17	17.58	32.75	52.72
(c) Other non-current liabilities	18	1,359.30	2,503.06	2,092.98
		13,326.27	11,874.65	11,187.10
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	11,794.91	4,502.99	8,866.62
(ii) Trade payables	20	6,124.94	803.99	1,519.72
(iii) Other financial liabilities	21	0.52	155.64	126.30
(b) Other current liabilities	22	2,788.41	14,698.11	7,831.17
(c) Current Income tax liabilities (net)		0.88	20.01	661.30
		20,709.66	20,180.74	19,005.11
TOTAL EQUITY AND LIABILITIES		1,09,938.93	81,235.16	73,582.38

See accompanying notes forming part of the financial statements

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As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2018

(₹ in lacs)

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1) Revenue from operations	23	58,688.23	46,479.10
(2) Other income	24	158.63	47.52
(3) Total Revenue (1) + (2)		58,846.86	46,526.62
(4) EXPENSES			
(a) Cost of materials consumed	25	43,461.41	29,121.06
(b) Changes in inventories of finished products and work in progress	26	(1,993.07)	846.66
(c) Employee benefits expense	27	1,343.40	999.22
(d) Finance costs	28	857.17	423.78
(e) Depreciation expense	29	1,836.71	1,369.26
(f) Excise duty	30	1,142.78	4,008.49
(g) Other expenses	31	5,516.28	6,309.86
Total Expenses (4)		52,164.68	43,078.33
(5) Profit before exceptional items (3) - (4)		6,682.18	3,448.29
(6) Exceptional items			
(a) Loss / Profit on sale of assets		-	(959.60)
(b) Loss / Profit on sale of long term investments		-	(56.00)
Total exceptional items		-	(1,015.60)
(7) Profit before tax (5) - (6)		6,682.18	4,463.89
(8) Tax Expense	32		
(a) Current tax			
(i) Current tax for current period		1,431.82	984.63
(ii) Current tax for the previous periods		188.66	-
(b) Deferred tax			
(i) Deferred tax for current period		(300.17)	(858.55)
Total tax expense (8)		1,320.31	126.08
(9) Profit for the period (7) - (8)		5,361.87	4,337.81
Share of Profit from Associates		2,393.95	1,292.83
Profit for the period		7,755.82	5,630.64
(10) Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		26.41	47.32
(ii) Income tax relating to items that will not be reclassified to profit and loss		9.14	16.38
(iii) Share of OCI from Associates		(1.61)	21.33
Total other comprehensive income (10)		15.66	52.27
(11) Total comprehensive income for the period (9) + (10)		7,771.47	5,682.91
(12) Earnings per equity share: (Face value of share of Rs 10 each)	33		
(a) Basic		27.47	19.94
(b) Diluted		27.47	19.94

See accompanying notes forming part of the financial statements

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As per terms of our report attached
For **ANOOP AGARWAL & CO.**

Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

NOTICE

BOARD AND MANAGEMENT REPORTS

STANDALONE FINANCIAL REPORTS

CONSOLIDATED FINANCIAL REPORTS

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
A. Cash Flow from Operating activities:		
Profit for the period	5,361.87	4,337.81
Adjustments for:	-	-
Income tax expenses recognised in the statement of profit and loss	1,320.31	126.08
Depreciation expense	1,836.71	1,369.26
Interest income	(109.48)	(8.33)
Interest expenses	748.61	362.23
Remeasurement Gain / (Loss) on defined benefit plan	17.27	30.94
(Profit)/loss on sale of property, plant & equipments	0.24	-
Operating profit before working capital changes	9,175.52	6,217.99
Adjustments for (increase)/decrease in operating assets		
Inventories	(7,076.12)	310.52
Trade receivables	(3,169.75)	1,958.26
Non-current financial Assets	0.08	65.69
Other non-current assets	(9.71)	1,306.61
Current financial assets	(3,999.16)	(3,223.78)
Other current assets	1,260.99	(592.26)
Adjustments for increase/(decrease) in operating liabilities		
Non-current liabilities	-	-
Trade Payables	5,320.95	(715.73)
Current financial liabilities	-	-
Other current liabilities	9,598.95	14,661.57
Provisions	0.44	12.78
Other non-current liabilities	-	-
Cash generated from operations	11,102.19	20,001.65
Direct taxes paid	(1,459.79)	(945.62)
Net cash generated from operating activities	9,642.41	19,056.03
B. Cash Flow from Investing activities:		
Purchase of property, plant & equipment	(15,644.56)	(8,763.35)
Sale of property, plant & equipment	1.90	1,891.71
Sale/(Purchase) of investment in subsidiary	-	-
Purchase of investments in associates	(2,392.34)	(8,206.53)
Purchase of other investments	421.56	(421.56)
Movement in loans and advances	72.89	(10.07)
Movement in fixed deposit held as margin	(418.61)	181.50
Movement in bank balance on account of unpaid dividend	0.72	125.06
Interest received	109.48	8.33
Net cash from/ (used in) investing activities	(17,848.97)	(15,194.91)

Consolidated Cash Flow Statement for the year ended 31st March, 2018

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
C. Cash Flow from Financing activities:		
Proceeds from long-term loans	1,584.61	823.38
Proceeds from /(Repayment against) working capital borrowings (net)	1,397.87	(1,229.98)
Proceeds from unsecured loans	5,894.05	(3,133.65)
Interest paid	(748.60)	(362.23)
Net cash from/ (used in) financing activities	8,127.93	(3,902.48)
Net increase/(decrease) in cash and cash equivalents	(78.63)	(41.36)
Cash and cash equivalents as at 1 April 2017	215.12	256.48
Cash and cash equivalents as at 31 March 2018	136.49	215.12

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 11)
2. Figures in brackets represent outflows.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

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Consolidated Statements of changes in Equity for the year ended 31st March, 2018

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2016	2,823.61
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at 31 March 2017	2,823.61
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31 March 2018	2,823.61

B. Other Equity

Statement of changes in Equity	Reserves and surplus			Retained earnings			Total Equity
	Security Premium	Amalgamation reserve	Statutory Reserve	General Reserve	Capital Reserve	Retained Earnings	
Balance at April 1, 2016	17,732.19	412.09	0.46	4,998.82	8,366.51	9,050.05	40,560.42
Profit for the year	-	-	-	-	-	5,630.64	5,360.64
Adjustment due to Consolidation					113.13	(0.30)	112.83
Other Comprehensive Income	-	-	-	-	-	68.65	68.65
Less: Tax on items taken to equity	-	-	-	-	-	(16.38)	(16.38)
Balance at March 31, 2017	17,732.19	412.09	0.46	4,998.82	8,479.64	14,732.96	46,356.16
Profit for the period	-	-	-	-	-	7,755.82	7,755.82
Adjustment due to Consolidation	-	0.10	-	-	19,119.95	5.11	19,125.16
Less: Dividend and tax thereon for FY-2016-17	-	-	-	-	-	(169.92)	(169.92)
Ind AS Adjustment	-	-	-	-	-	(5.09)	(5.09)
Other Comprehensive Income	-	-	-	-	-	26.41	26.41
Less: Tax on items taken to equity	-	-	-	-	-	(9.14)	(9.14)
Balance at March 31, 2018	17,732.19	412.19	0.46	4,998.82	27,599.59	22,336.14	73,079.39

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

Note -01 General information

1 General corporate information

Gallantt Ispat Limited ('the Company' / 'GIL'), incorporated in the year 2005, is engaged in the business of Iron & Steel, Agro, Power and Real Estate. The Company was promoted by M/s. Gallantt Metal Limited, Mr. Chandra Prakash Agrawal, Mr. Prem Prakash Agrawal, Mr. Nitin Mahavir Prasad Kandoi and M/s. Chandra Prakash Agrawal & Sons (HUF). Company floated its capital base by coming out with Initial Public Offerings of Equity Shares in the year 2010. Company is listed on both the premier stock exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company is engaged in manufacturing of Steel and Steel products and having its manufacturing unit at GIDA, Sahajanwa, Dist Gorakhpur in the State of Uttar Pradesh.

2 First time adoption of Ind AS

These financial statement have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period) on accrual basis to comply in all material aspects with the Indian Accounting Standards (herein after referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

These financial statements for the year ended March 31, 2018 has been prepared under Ind AS first time for the Company. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 01, 2016 have been restated in accordance with Ind AS for comparative information.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet

as at April 01, 2016 being the 'date of transition to Ind AS'. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 21, 2018

3 Basis of measurement

These financial statements are prepared under the historical cost convention otherwise indicated

4 Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operate. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

5 Key estimates and assumptions

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the notes.

6 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note -02 Significant Accounting Policies

1 Property, Plant and Equipment (PPE)

Land, Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production or supply of goods or services or for administrative purposes are carried at cost, less any recognised impairment losses

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings	: 15 to 60 years
Plant and equipment	: 10 to 40 years
Furniture and Fixtures	: 10 years
Office Equipments	: 5 years
Electrical Installations	: 10 Years
Computers	: 3 years
Two Wheelers	: 10 years
Motor Vehicles & Commercial Vehicles	: 8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. Further the company has regrouped the classifications of assets wherever required.

2 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its intangible assets

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

4 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries

and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

5 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

6 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

7 Financial Assets

i Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii Subsequent Measurement

Financial assets are subsequently / classified and

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

measured at
amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv Debt Instruments

- (a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.
- (b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.
- (c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair

value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

8 Financial Liabilities

i Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

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ii Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

9 Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

10 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

11 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

12 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. The Company has assumed the recovery of excise duty flows to the Company on its own account, for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Accordingly revenue includes excise duty for the year ended March 31, 2017 and for the period from April 1, 2017 to June 30, 2017. From July 1, 2017 the revenue excludes Goods and Service Tax (GST) collected from customers.

i) Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on ground of prudence.

13 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

14 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

15 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

16 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that is probable that taxable profits

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in

the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

₹ lakhs

03. Property, plant and equipment			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Carrying amount of:			
Land	2,047.79	2,021.75	2,040.07
Buildings	6,402.11	7,162.09	7,742.62
Plant and machinery	35,389.01	12,888.93	15,252.37
Electrical installation and Equipments	323.05	439.64	556.24
Furniture and fixtures	7.90	10.49	13.07
Office equipments	79.06	17.22	19.93
Motor vehicles	305.44	120.45	173.56
Computers	3.69	5.76	11.14
Railway sidings	554.55	614.46	674.37
Other Assets	1,762.52	419.54	459.10
Total	46,875.12	23,700.31	26,942.46

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

03. Tangible assets	Freehold Land	Freehold Buildings	Plant and Machinery	Electrical Installations and Equipments	Furniture and fixtures	Office Equipments	Vehicles	Computers	Railway sidings	Other assets	Total Tangible Assets
As at 31.03.2018											
Cost at beginning of period	2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Additions	26.05	2,399.59	21,164.38	-	-	67.16	224.89	0.23	-	1,249.16	25,131.47
Disposals	-	-	-	-	-	-	(7.16)	-	-	-	(7.16)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(3,563.20)	3,348.31	-	-	-	-	-	-	214.89	-
Cost at end of period	2,047.79	7,823.03	44,838.59	1,036.28	23.05	120.80	522.62	57.07	900.91	2,097.15	59,467.29
Depreciation at beginning of period	-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	178.14	1,469.58	116.59	2.58	5.32	37.77	2.30	59.91	82.33	1,954.53
Disposals	-	-	-	-	-	-	(5.03)	-	-	-	(5.03)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(581.78)	543.03	-	-	-	-	-	-	38.74	-
Depreciation at end of period	-	1,420.92	9,449.58	713.23	15.14	41.74	217.18	53.38	346.37	334.63	12,592.17
Net book value at beginning of period	2,021.75	7,162.09	12,888.93	439.64	10.49	17.22	120.45	5.76	614.46	419.54	23,700.31
Net book value at end of period	2,047.79	6,402.11	35,389.01	323.05	7.90	79.06	305.44	3.69	554.55	1,762.52	46,875.12

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(₹ in lacs)

03. Tangible assets	Freehold Land	Freehold Buildings	Plant and Machinery	Electrical Installations and Equipments	Furniture and fixtures	Office Equipments	Vehicles	Computers	Railway sidings	Other assets	Total Tangible Assets
As at 31.03.2017											
Cost at beginning of period	2,040.07	9,465.16	21,968.72	1,036.28	23.05	51.74	342.55	60.01	900.91	632.11	36,520.61
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Additions	-	15.00	66.50	-	-	3.41	28.31	-	-	21.31	134.54
Disposals	(18.32)	(493.52)	(1,709.32)	-	-	(1.52)	(65.96)	(3.18)	-	(20.33)	(2,312.16)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-
Exchange differences capitalised	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on consolidation	-	-	-	-	-	-	-	-	-	-	-
Cost at end of period	2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98
Depreciation at beginning of period	-	1,722.54	6,716.36	480.04	9.98	31.81	168.98	48.88	226.54	173.02	9,578.15
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	155.88	1,046.09	116.59	2.58	6.06	35.69	4.94	59.91	57.21	1,484.96
Disposals	-	(53.88)	(325.48)	-	-	(1.45)	(20.23)	(2.74)	-	(16.66)	(420.44)
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-
Depreciation at end of period	-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67
Net book value at beginning of period	2,040.07	7,742.62	15,252.37	556.24	13.07	19.93	173.56	11.14	674.37	459.10	26,942.46
Net book value at end of period	2,021.75	7,162.09	12,888.93	439.64	10.49	17.22	120.45	5.76	614.46	419.54	23,700.31

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

04. Intangible assets (Acquired)							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Computer software	0.25		0.25		0.40	
		0.25		0.25		0.40	
Cost or deemed cost							
	Balance at April 1, 2016						8.19
	Balance at March 31, 2017						8.19
	Balance at March 31, 2018						8.19
	Accumulated depreciation						
	Balance at April 1, 2016						7.79
	Depreciation expense						0.15
	Balance at March 31, 2017						7.94
	Balance at March 31, 2018						7.94
	Carrying amount						
	Balance at April 1, 2016						0.40
	Depreciation expense						(0.15)
	Balance at March 31, 2017						0.25
	Balance at March 31, 2018						0.25
05. Non-current investments							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
		Qty	Amount	Qty	Amount	Qty	Amount
		Nos.	Rs. lakhs	Nos.	Rs. lakhs	Nos.	Rs. lakhs
(A)	Investments in subsidiaries (carried at cost)	-	-	-	-	-	-
(B)	Investments in associates (carried at cost)						
	Quoted Investments (all fully paid)						
	Investments in Equity Instruments of						
	Gallantt Metal Limited at face value of Rs. 10 each.	3,94,62,895	16,454.12	3,94,62,895	14,061.78	3,78,62,895	12,230.77
(C)	Other Investments						
	Total Investments carrying value						
	Unquoted Investments (all fully paid)						
	Investments in Equity Instruments		-		421.56	-	11.00
	Total aggregate quoted investments		16,454.12		14,483.34		12,241.77
	Aggregate book value of quoted investments		4,267.98		4,267.98		3,919.18
	Aggregate book value of un'quoted investments		-		421.56		11.00
	Aggregate market value of quoted investments		15,903.55		16,613.88		10,222.98
06. Other non-current financial assets (Unsecured Considered good)							
		As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Security deposits	0.87		0.87		66.64	
	Goodwill on Consolidation	-		0.08		-	
		0.87		0.95		66.64	

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(₹ in lacs)

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07. Other non-current assets			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Capital advances		1,800.81	1,300.18
Advance with public bodies		-	-
Service tax		-	-
Excise	34.00	41.65	48.53
Sales tax/Value added tax	14.12	35.13	34.68
Others	38.37	-	-
	86.49	76.78	83.21
	86.49	1,877.59	1,383.39

08. Deferred tax balances			
The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:			
Deferred tax assets	4,470.02	3,750.56	2,711.54
Deferred tax liabilities	(3,281.77)	(2,853.36)	(2,656.43)
	1,188.25	897.20	55.11

09. Inventories (At lower of cost and net realisable value)			
Raw materials (At lower of cost and net realisable value)	8,003.56	3,053.11	2,612.58
Finished products (At lower of cost and net realisable value)	2,432.96	439.89	1,286.55
Stores and spare parts (At or lower than cost)	1,504.73	1,228.42	1,011.70
	11,941.25	4,721.42	4,910.83
Land at real estate business	224.26	367.97	489.08
Total inventories	12,165.51	5,089.39	5,399.91

10. Trade receivables (Current)			
Outstanding for a period of exceeding six months (from the date they were due for payment)			
Considered good	350.03	331.20	344.62
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	350.03	331.20	344.62
Others (Refer note below)			
Considered good	4,838.36	1,687.44	3,632.28
Considered doubtful	-	-	-
Less: Provision for doubtful debts	-	-	-
	4,838.36	1,687.44	3,632.28
Total Trade Receivable	5,188.39	2,018.64	3,976.90
	5,188.39	2,018.64	3,976.90

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

11. Cash and bank balances			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and cash equivalents			
(i) Cash on hand	127.05	109.95	249.33
(ii) Cheques on hand	-	-	-
(iii) Remittance in transit	-	-	-
(iv) Balances with banks	-	-	-
In current accounts	9.44	105.17	7.15
In deposit accounts	-	-	-
Total cash and cash equivalents	136.49	215.12	256.48
Other bank balances			
In current accounts (held for unpaid dividend)	0.52	1.24	126.30
In deposit account (held as margin)	625.35	206.74	388.24
Total Other bank balances	625.87	207.98	514.54
Total cash and bank balances	762.36	423.10	771.02
Included above			
Earmarked balance for unpaid dividend	0.52	1.24	126.30
Earmarked balance for margin against letters of credit	625.35	206.74	172.58
12. Other financial assets			
Incentive receivable from government	24,347.39	20,349.23	17,125.45
Loans & Advances	175.56	247.45	237.38
	24,522.95	20,596.68	17,362.83
13. Other current assets			
Advance with public bodies			
(i) Service tax	-	6.15	38.38
(ii) Excise	-	222.69	104.61
(iii) Sales tax/Value added tax	-	112.11	57.17
(iv) Others	-	124.62	222.60
	-	465.57	422.76
Other loans and advances			
(i) Advance to suppliers	1,288.12	2,007.84	1,518.54
(ii) Other advances and prepayments			-
Prepayments	27.72	30.04	25.03
Others	29.74	103.12	47.98
	57.46	133.16	73.01
	1,345.58	2,606.57	2,014.31
14. Share capital			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised:			
4,66,85,000 Equity Shares of ₹ 10 each	4,668.50	4,650.00	4,650.00
(as at March 31, 2017: 465,00,000; as at April 1, 2016: 465,00,000 Equity Shares of ₹ 10 each)			
	4,668.50	4,650.00	4,650.00

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

During the year Eight Wholly Owned Subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited amalgamated with the Company. Pursuant to the Scheme of Amalgamation of these Companies Authorised Share Capital of these Companies amounting to ₹ 18,50,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 46,68,50,000/-			
Issued, Subscribed and fully paid up:			
28,236,072 Equity Shares of Rs. 10 each	2,823.61	2,823.61	2,823.61
(as at March 31, 2017 : 28,236,072; as at April 1, 2016: 28,236,072 Equity Shares of ₹ 10 each)			
	2,823.61	2,823.61	2,823.61

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	No. of Shares	Amount ` lakhs	No. of Shares	Amount ` lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning & end of the year	2,82,36,072	-	2,82,36,072	-
Issued during the year	-	-	-	-
At end of the year	2,82,36,072	-	2,82,36,072	-

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31.03.2018		As at 31.03.2017	
Name of Shareholder	No. of Shares	%	No. of Shares	%
Gallantt Metal Limited	72,51,992	25.68%	72,51,992	25.68%
Chandra Prakash Agrawal	52,34,004	18.54%	52,34,004	18.54%
AAR Commercial Co. Ltd.	33,90,526	12.01%	33,90,526	12.01%
Camellia Tradelink Private Limited	15,84,350	5.61%	-	-

Rights, preferences and restrictions attached to shares

Equity Shares

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

15. Other Equity			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Securities premium	17,732.19	17,732.19	17,732.19
Amalgamation reserve	412.19	412.09	412.09
General reserve	4,998.82	4,998.82	4,998.82
Statutory reserve	0.46	0.46	0.46
Capital reserve	27,599.59	8,479.64	8,366.51
Retained Earnings	22,336.14	14,732.96	9,050.35
	73,079.39	46,356.16	40,560.42
Securities premium			
Opening and closing balance	17,732.19	17,732.19	17,732.19
Amalgamation reserve			
Opening balance	412.09	412.09	412.09
Add: Amalgamation reserve of merged entity	0.10	-	-
Closing balance	412.19	412.09	412.09
General reserve			
Opening and closing balance	4,998.82	4,998.82	4,998.82
Statutory reserve			
Opening and closing balance	0.46	0.46	0.46
Capital reserve			
Opening balance	8,479.64	8,366.51	8,366.51
Add: Gain on bargain purchase of subsidiaries	19,119.95	(54.92)	-
Adjustment Due to Consolidation		168.05	-
Closing balance	27,599.59	8,479.64	8,366.51
Retained Earnings			
Opening balance	14,732.96	9,050.35	9,050.35
Profit for the period	7,755.82	5,630.64	-
Add: Reserves and surplus of amalgamated entity	5.11	-	-
Less: Dividend and tax thereon for FY-2016-17	(169.92)		-
Less : IND-AS adjustments	(5.09)	(0.30)	-
Other Comprehensive Income	26.41	68.65	-
Tax impact on above	(9.14)	(16.38)	-
Closing balance	22,336.14	14,732.96	9,050.35
	73,079.39	46,356.16	40,560.42
16. Long-term Borrowings			
Deferred VAT/CST Payable (Interest free)	9,491.64	9,338.84	8,791.40
Term Loan			
From Banks (HDFC Bank Ltd)	2,870.09	-	-
Less Current Maturities of Term Loan	(412.34)	-	-
	2,457.75	-	-
Unsecured Load	-	-	250.00
	11,949.39	9,338.84	9,041.40

During the year company has been sanctioned and disbursed a term loan of ₹ 3000.00 lacs from HDFC Bank Ltd for plant and machineries for expansion of its capacity at GIDA, Sahjanwa, Gorakhpur.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

Security:

* Primary Security: Term loan is secured by way of first pari passu charge by way of hypothecation of Plant & machineries and equipment acquired for expansion of project of the company.

* Collateral Security: Term loan is further secured by way of first pari passu charge with consortium banking arrangement member bank (SBI) by way of equitable mortgage of the company's immovable property viz; Factory Land & Building at GIDA, Sahjanwa, Gorakhpur.

* Loan is further secured by personal guarantee of Directors namely Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal, Mr. Prem Prakash Agrawal and Mr. Nitin Mahavir Prasad Kandoi.

Repayment:

Term loan is repayable in 72 equal monthly installments of ₹ 53.26 lakh (including interest) starting from 07th December 2017.

17. Provisions			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non-current			
Provision for employee benefits			
Retirement gratuity	17.58	32.75	52.72
	17.58	32.75	52.72

18. Other Non-current Liabilities			
Deferred income (Capital subsidy)	1,359.30	2,503.06	2,092.98
	1,359.30	2,503.06	2,092.98

19. Current Borrowings			
Secured - at amortised cost			
Repayable on demand			
From banks			
Cash credit	5,488.52	4,502.99	5,732.97
Other loans			
Buyer's credit	-	-	-
Term Loan from HDFC	412.34		-
Total secured borrowings	5,900.86	4,502.99	5,732.97
Un Secured - at amortised cost			
Unsecured loans	5,894.05	-	3,133.65
Total unsecured borrowings	5,894.05	-	3,133.65
Total borrowings	11,794.91	4,502.99	8,866.62

1. The above working capital loan from bank (SBI & HDFC) is secured by first pari Passu charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts-present and future.

The loan is further secured by way of hypothecation of plant & machineries and equipment of the company alongwith consortium banking arrangement member bank (SBI)

2. The above working capital loan is further secured by the personal guarantee of Sri C. P. Agrawal, Sri P.P Agrawal, Shri S.K. Agrawal and Shri Nitin Mahavir Prasad Kandoi.

20. Trade Payables			
Total outstanding dues to micro enterprises and small enterprises. (Refer note 45.01)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,075.41	743.23	1,443.27
Creditors for accrued wages and salaries	49.53	60.76	76.45
Total trade payables	6,124.94	803.99	1,519.72

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

21. Other Current Financial Liabilities			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unpaid dividends	0.52	1.24	126.30
Creditors for purchase of fixed assets	-	154.40	-
Total other current financial liabilities	0.52	155.64	126.30
22. Other Current Liabilities			
Advance received from customers	871.37	872.18	1,175.70
Advance against property	40.00	12,175.00	5,790.00
Employee recoveries and employer's contributions	7.08	6.65	5.95
Statutory dues	454.39	34.55	60.86
Other credit balances	1,415.57	1,609.73	798.66
Total other liabilities	2,788.41	14,698.11	7,831.17
23. Revenue from operations			
	For the year ended 31.03.2018	For the year ended 31.03.2017	
Sale of Products			
Sale of finished goods	57,301.49	45,233.27	
Sale of other products	339.46	205.51	
Total Sale of Products	57,640.95	45,438.78	
Revenue from real estate business	1,047.28	1,040.32	
Revenue from Operations (Net)	58,688.23	46,479.10	
24. Other income			
Interest income			
From fixed deposits	109.48	8.33	
From loans and advances	-	-	
Gain on foreign currency transactions (net)	8.86	3.72	
Miscellaneous income	40.29	35.47	
Total other income	158.63	47.52	
25. Cost of materials consumed			
Raw materials consumed			
Opening stock	3,053.11	2,083.61	
Add: Purchases	48,268.16	29,969.44	
	51,321.27	32,053.05	
Less: Closing stock	8,003.56	3,053.11	
	43,317.71	28,999.94	
Cost of land sold	143.70	121.12	
Total cost of materials consumed	43,461.41	29,121.06	
26. Changes in inventories of finished products			
Inventories at the beginning of the year			
Finished products	439.89	1,286.55	
	439.89	1,286.55	
Inventories at the end of the year			
Finished products	2,432.96	439.89	
	2,432.96	439.89	
Net (increase)/decrease	(1,993.07)	846.66	

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

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27. Employee benefits expense		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries and wages, including bonus	1,262.06	899.67
Company's contribution to provident and other funds	48.52	86.23
Workmen and staff welfare expenses	32.82	13.32
Total employee benefits expense	1,343.40	999.22
28. Finance costs		
Interest expense	748.61	362.23
Bank charges	108.56	61.55
Total finance costs	857.17	423.78
29. Depreciation expense		
Depreciation on tangible assets	1,954.53	1,485.12
Less: Release from capital subsidy	(117.82)	(115.86)
Total depreciation expense	1,836.71	1,369.26
30. Excise duty		
Excise duty on sale of finished products	1,142.78	4,008.49
Total excise duty	1,142.78	4,008.49
31. Other expenses		
Manufacturing expenses		
Consumption of stores, spare parts and loose tools	909.60	849.38
Repairs to buildings	-	-
Repairs to plant and machinery	227.40	212.34
Repairs to others	205.05	114.41
Handling expenses	635.81	553.39
Power and fuel	2,371.97	3,475.56
Packing material consumed	112.92	160.12
	4,462.75	5,365.20
Selling and administrative expenses		
Rates, taxes and licenses	48.73	73.63
Electricity expenses	23.97	16.01
Insurance charges	50.70	46.40
Environment expenses	226.02	267.56
Selling and distribution expenses	327.02	284.11
Legal and professional fee	54.20	21.48
Travelling and conveyance expenses	88.04	55.10
Telephone expenses	12.19	13.32
Directors' remuneration	84.00	52.80
Corporate social responsibility expenses	72.00	55.00
Printing and stationery	4.13	2.97
Loss on sale of fixed assets	0.24	-
Audit fees	3.70	4.70
Other general expenses	58.60	51.58
	1,053.53	944.66
Total other expenses	5,516.28	6,309.86

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(₹ in lacs)

32. Income tax recognised in profit and loss		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Current tax		
In respect of the current year	1,431.82	984.63
In respect of prior years	188.66	-
	1,620.48	984.63
Deferred tax		
In respect of the current year	(300.17)	(858.55)
	(300.17)	(858.55)
Total tax expense	1,320.31	126.08

33. Earnings per share		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year/period	7,755.82	5,630.64
Weighted average number of equity shares for the purpose of basic earnings per share	2,82,36,072	2,82,36,072
Basic and diluted earnings per share	27.47	19.94
The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		

34 Segment information

34.01 Products and services from which reportable segment derives their revenues

	Segment Revenue		Segment Profit	
	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2018	For the year ended 31.03.2017
Agro	7,833.54	7,652.11	491.82	379.16
Steel	49,807.41	37,786.67	1,951.93	(604.97)
Power	8,342.62	5,845.50	4,306.78	3,494.87
Real Estate	1,047.28	1,040.32	903.58	919.21
Un-allocated income	158.63	1,063.12		
	67,189.48	53,387.72	7,654.11	4,188.27
Inter-segment revenue	8,342.62	5,845.50		
Total Revenue	58,846.86	47,542.22	7,654.11	4,188.27
Interest costs			857.17	423.78
Unallocated expenses/(income)			114.75	316.20
Profit before exceptional items and tax			6,682.18	3,448.29
Exceptional items			-	1,015.60
Profit before tax			6,682.18	4,463.89
Tax expenses			1,320.31	126.08
Profit after tax			5,361.87	4,337.81
Share of Profit from Associates			2,393.95	1,292.83
Profit after tax			7,755.82	5,630.64

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(₹ in lacs)

34. Capital Employed

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Agro	175.27	28.39	2,407.82
Steel	49,750.47	24,432.30	20,723.41
Power	6,869.82	7,056.42	7,348.92
Real Estate	778.35	611.88	1,288.54
Un-allocated income	18,329.09	17,050.78	11,615.34
	75,903.00	49,179.77	43,384.03

35 Employee Benefit plans

35.01 Defined contribution plans

Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees provident Fund organisation established under the Employee's Provident fund and Misc. Provision Act 1952 charges to the statement of Profit and Loss when the contribution to the respective funds are due.

35.02 Defined benefit plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

The amount recognised in the Company's financial statements as at the year end as under:

	For the year ended 31.03.2018	For the year ended 31.03.2017
Movement in the fair value of the plan assets		
Opening fair value of plan assets	96.81	75.00
Acquisition adjustment	-	
Interest income on plan assets	7.45	5.44
Employer's contribution	34.23	15.29
Return on plan assets greater / (lesser) than discount rate	(3.12)	1.09
Benefits paid	-	-
Closing fair value of plan assets	135.38	96.81

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
Movement in the present value of the defined benefit obligation		
Opening defined benefit obligation	129.56	127.72
Current service cost	37.69	38.82
Interest cost	9.98	9.26
Plan Amendments: Vested portion at end of period (Past Service)	5.26	
Remeasurement gain(loss)		
(i) Actuarial (gains)loss arising from changes in demographic assumptions		
(ii) Actuarial (gains)loss arising from changes in financial assumptions	(12.74)	16.79
(iii) Actuarial (gains)loss arising from experience adjustments	(16.79)	(63.03)
Benefits paid		
Exchange difference on foreign plans	-	-
Closing defined benefit obligation	152.96	129.56
Components of defined benefit costs recognised:		
I. Components of defined benefit costs recognised in profit and loss		
(a) Service Costs:		
- Current service cost	37.69	38.82
- Past service cost and (gain)/loss from settlements	5.26	-
(b) Net interest expenses	2.52	3.82
Subtotal	45.47	42.64
Components of defined benefit costs recognised in other comprehensive income		
Remeasurement on the net defined benefit liability:		
- Return on plan assets (excluding amounts included in net interest expense)	3.12	(1.09)
- Actuarial (gains)loss arising from changes in demographic assumptions		
- Actuarial (gains)/loss arising from changes in financial assumptions	(12.74)	16.79
- Actuarial (gains)/loss arising from experience adjustments	(16.79)	(63.03)
Adjustments for restrictions on the defined benefit asset		
Subtotal	(26.41)	(47.33)
Total defined benefit cost recognised	19.06	(4.69)
	As at 31.03.2018	As at 31.03.2017
Amount included in the standalone balance sheet arising from defined benefit plan obligation		
Present value of funded defined benefit obligation	152.96	129.56
Fair value of plan assets	(135.38)	(96.81)
Funded status	17.58	32.75
Net liability arising from defined benefit obligation	17.58	32.75
Principal assumption used for the purpose of the actuarial valuation		
Mortality Table	IALM. (2006-08) Ultimate	IALM. (2006-08) Ultimate
Discount rate	7.70%	7.25%
Expected rate(s) of salary income	9.00%	9.00%

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31.03.2018		For the year ended 31.03.2017	
	(increase)	(Decrease)	(increase)	(Decrease)
Discount Rate (0.5% movement)	140.18	167.23	118.05	14.25
Salary escalation rate (0.5% movement)	166.50	140.54	140.59	11.92
Withdrawal Rate (0.5% movement)	152.70	153.21	129.32	12.98

36 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes [16] and [19] offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Debt			
Current borrowings	11,794.91	4,502.99	8,866.62
Cash and bank balances	136.49	215.12	256.48
Net debt	11,658.42	4,287.87	8,610.14
Total equity	75,903.00	49,179.77	43,384.03
Equity share capital	2,823.61	2,823.61	2,823.61
Other equity	73,079.39	46,356.16	40,560.42
Net debt to equity ratio	0.15	0.09	0.23

37 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

37.01 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial Liabilities				
Hedged				
Trade Payable	USD	-	-	-
	INR	-	-	-
Unhedged				
Trade Payable	USD	65.29	7.77	16.26
	INR	4,252.90	504.02	1,078.73

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

37.02 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows:

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
More than Six months	350.03	331.20	344.62
Others	4,838.36	1,687.44	3,632.28
	5,188.39	2,018.64	3,976.90

37.03 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

38 RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)

Name of Related Party and Description of Relationship:

I.	Associate or Subsidiary Company & Firm	Gallantt Metal Ltd
		Chandra Prakash Agrawal & Sons (HUF)
		Prem Prakash Agrawal HUF
		Santosh Kumar Agrawal HUF
		Bhavika Smeltors and Food Products Private Limited
		Shrinu Rolls and Milling Private Limited
		Satlaj Rolls and Milling Private Limited
		Antarmukh Steel Manufacturer Private Limited
		Gallantt Foundation
II.	Key Managerial Personnel	Mr. Chandra Prakash Agrawal, Chairman & Managing Director
		Mr. Prem Prakash Agrawal, Whole Time Director
		Mr. Nitin Mahavir Prasad Kandoi, Whole Time Director
		Mr. Santosh Kumar Agrawal, Whole Time Director
		Mr. Mayank Agrawal, Chief Executive Officer
		Mr. Amit Jalan, Chief Financial Officer
		Mr. Nitesh Kumar, Company Secretary
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal (Wife of Mr CP Agrawal)
		Mr. Ashutosh Agrawal (Son of Mr SK Agrawal)
		Mrs. Smriti Agrawal (Daughter in Law of Mr SK Agrawal)
		Mrs. Shyama Agrawal (Wife of Mr PP Agrawal)
		Mrs. Shruti Kandoi (Wife of Mr Nitin Kandoi)
		Mrs. Pallavi Agrawal (Wife of Mr Mayank Agrawal)
		Mrs. Uma Agrawal (Wife of Mr SK Agrawal)

Related Party Transaction:

Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	-	116.81	63.00	179.81
	-	(86.18)	(50.40)	(136.58)
Purchase	22.12	-	-	22.12
	(30.78)	-	-	(30.78)
Sale	14.24	-	3.28	17.52
	(74.09)	-	-	(74.09)
Advance Received Against Land	-	-	-	-
	-	-	-	-
CSR Expenses contributed	72.00	-	-	72.00
	-	-	-	-
Medical Expenses Reimbursed	-	3.00	-	3.00
	-	-	-	-

The Amount Shown in Bracket () Denotes Previous year figure

NOTICE

BOARD AND MANAGEMENT REPORTS

STANDALONE FINANCIAL REPORTS

CONSOLIDATED FINANCIAL REPORTS

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

39 First Time Adoption of IND AS

39.01 Transition to IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act 2013, read together with the relevant Rules thereunder ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and Effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

39.02 Optional Exemption Availed

(i) **Deemed Cost**

The Company has elected to continue with the carrying value for (written down value) all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP.

(ii) **Deemed cost for investments in Associates**

The Company has elected to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has measured all its investments in associates at their previous GAAP carrying value.

(iii) **Business Combination**

Ind AS 101 provided the option to apply Ind AS 103 prospectively from the transition date or specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combination occurring after its transition date. Business combination prior to the transition date have not been restated.

39.03 Mandatory Exceptions from retrospective application

(i) **Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

(ii) **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

(iii) Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

39.04 Reconciliation of Equity

Particulars	For the year ended 31.03.2017
Equity share capital as reported under IGAAP	2,823.61
Other Equity as reported under IGAAP	39,877.93
Total Equity	42,701.54
Add- Effect of accounting for Interest Free Loan	9.18
Add- Effect of de-recognition of proposed dividend and tax thereon	169.92
Add- Effect of Capital Reserve and other on consolidation	6,542.54
Less- Effect of accounting for Capital subsidy	-117.13
Less- Effect of accounting for employee benefits	-14.51
Less- Effect of Deffered Tax Calculations	-111.77
Total Equity after Ind As Adjustment	49,179.77
Equity share capital as reported under Ind AS	2,823.61
Other Equity as reported under Ind AS	46,356.16
Total Equity	49,179.77

39.05 Reconciliation of Total Comprehensive Income

Particulars	For the year ended 31.03.2017
Profit /(loss) after tax as reported under IGAAP	5743.38
Impact of accounting for Government grants	-119.23
Re classification of Actural loss on defined benefit plan	-27.26
Other adjustments	-22.45
Tax adjustments	56.2
Profit /(loss) after tax as reported under Ind AS	5630.64
Other comprehensive income (net of tax)	52.27
Total comprehensive income as reported under Ind AS	5682.91

40 Fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

the following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

(₹ in lacs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial Assets:			
Investment - Non -current	16,454.12	14,483.34	12,241.77
Security deposits - Non - current	0.87	0.95	66.64
Trade receivables	5,188.39	2,018.64	3,976.90
Cash and cash equivalents	136.49	215.12	256.48
Other bank balances	625.87	207.98	514.54
Loan - Current	175.56	247.45	237.38
Other Financial assets - Current	24,347.39	20,349.23	17,125.45
Total	46,928.69	37,522.71	34,419.15
Financial Liabilities			
Borrowings - Current	11,794.91	4,502.99	8,866.62
Trade payable	6,124.94	803.99	1,519.72
Derivative financial liabilities	-	-	-
Other financial liabilities	0.52	155.64	126.30
Total	17,920.37	5,462.62	10,512.64

41 Contingent liabilities

	As at 31.03.2018
(i) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00
(ii) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	356.00
(iii) Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00
(iv) Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00
(v) Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd.	38.31
(vi) Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd.	131.00
(vii) Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	18.75

Sub Notes:

- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

42 Corporate Social Responsibility Contribution (CSR Expenses)

	As at 31.03.2018	As at 31.03.2017
a) Gross amount required to be spent by the company during the year	70.50	52.23
b) Amount spent during the year on		
Contribution to a trust i.e Gyan Jyoti Education	-	55.00
Contribution to a trust i.e Gallantt Foundation	72.00	-

43 Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

44 Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

45 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

46 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 2006 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 ₹ 10828.03 lacs up to 30th June 2017 (upto previous year ₹ 10373.96 Lacs) on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 10828.03 lacs, ₹ 9255.64 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, and order in writ petition no. 21103 dated 16.11.2016. However, ₹ 1572.39 Lacs have already been deposited upto August, 2011.

Further as the GST act has replaced the VAT and CST w.e.f. 01.07.2017, the amount of SGST paid to the Governemnt account will be eligible for interest free loan under the scheme. company has already deposited ₹1180.85 lacs against SGST for the period 1st July 2017 to 31st March 2018 against the quantity produced from the old unit, which is refundable as interest free loan.

47 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 2006 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.

48 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 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. The total amount of freight subsidy is restrcited to 65% of the total capital investment under the scheme that comes ₹ 22775.00 Lacs. Since company has already claimed ₹ 18776.84 lacs till March 2017 as such only ₹ 3998.16 lacs is available to be claimed as freight subsidy. During the year company has paid a total freight amount of ₹ 4211.71 Lacs but company has provided only ₹ 3998.16 lacs (Previous year ₹ 3223.77 lacs). This has been adjusted with freight paid on Iron Ore in Profit Loss account and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2018 was ₹ 22775.00 lacs (Previous year ₹ 18776.84 Lacs).

49 During the year company has started commercial production from its new expansion project at GIDA Sahjanwa, which has been established under Industrial Development Policy 2012 of State Government of Uttar Pradesh. Under the scheme company is eligible to get refund of 80% of the SGST amount deposited in Government account. Company has commenced its commercial production of expanded capacity covered under this scheme from 01.12.2017. A total amount of ₹ 1931.61 Lacs has been paid as SGST from December 2017 to March 2018. Out of this amount ₹ 1175.85 Lacs is related to quantity produced from old unit and ₹ 755.76 Lacs is related to the quantity produced from expansion. As per scheme company is entitled for refund of 80% of the amount deposited as SGST which comes to ₹ 604.61 Lacs for this period.

50 By its order dated January 08, 2018, the Office of Regional Director (ER), Ministry of Corporate Affairs has sanctioned and approved the Scheme of Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited with Gallantt Ispat Limited. Pursuant to the Scheme sanctioned as above, Company has acquired four Wholly Owned Subsidiaries viz, M/s. Antarmukh Steel Manufacturer Private Limited, Bhavika Smeltors and

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2018

Food Products Private Limited, Shrinu Rolls and Milling Private Limited AND Satlaj Rolls and Milling Private Limited. At their meeting held on January 24, 2018, Board of Directors of the Company has approved Scheme of Amalgamation of these four Subsidiary Companies with the Company. Company has one Associate Gallantt Metal Limited in which Company holds more than twenty percent shares.

- 51** In the Quarter ended on December 31, 2017 Company had made provision for exceptional income of ₹ 1,032.69 Lacs arising out of and based on the Order of Honorable Supreme Court in matter of electricity duty rebate dispute pending with Uttar Pradesh Power Corporation Limited (hereinafter referred to as the "UPPCL"). As per the Order of Honorable Supreme Court, Company is eligible to avail electricity duty rebate which comes at ₹ 1,032.69 Lacs. In compliance with order of the Hon'ble Supreme Court, Department of Energy, Govt. of UP has issued a notification dated 05.02.2018 which specifies that amount of electricity duty rebate for prior period shall be adjusted against electricity duty only after 21.01.2020. Since, the company expands the capacity of Power Plants and hence, the Company will not require purchasing electricity from Government bodies and hence, the amount of electricity duty cannot be adjusted against the electricity rebate. Therefore, the amount of Electricity duty rebate has been reversed in books which were provided as exceptional income.
- 52** Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Dated : 21.05.2018

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

FORM FOR FURNISHING PAN AND BANK DETAILS

To
NICHE TECHNOLOGIES PVT. LTD.
D-511, Bagree Market, 5th Floor
71, B.R.B. Basu Road, Kolkata -700 001

Dear Sir / Madam,

Unit: Gallantt Ispat Limited

Folio No. :

I/we hereby furnish our folio details along with PAN and Bank Account details for update in your records.

I/we are enclosing herewith:

- 1) Self-attested copies of PAN Cards of all the Shareholder(s),
- 2) Original cancelled cheque leaf with name (if name is not printed on cheque - self attested copy of the first page of the pass book of the bank) and
- 3) Address Proof viz., Aadhaar Card of all the shareholder(s), duly self attested, as required for updation of the details:

Folio No.	
Address of the sole/first named shareholder as per the share certificate	
Mobile No.	
E-mail ID	

Bank Account Details of Sole/First Shareholder: (for electronic credit of dividends)

Name of the Bank			
Name of the Branch			
Account Number (as appearing in your cheque book)			
Account Type (Please tick as applicable)	Saving	Current	Cash Credit
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank)			
11 Digit IFSC Code			

	Name	PAN	Signature
First Holder			
Joint Holder1			
Joint Holder2			

Date:

Place:

NB: The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders.

GALLANTT ISPAT LIMITED**CIN: L27109WB2005PLC101650**

Regd. Office: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700069

Telefax : +91 33 40642189, Email: nitesh@gallantt.com

Website: www.gallantt.com**(ANNEXURE TO THE NOTICE FOR THE 14TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 27-09-2018)**

Name & Registered Address of Sole/First named Member	
Joint Holders Name (If any)	
Folio No. / DP ID & Client ID	
No. of Equity Shares Held	

Dear Shareholder,

Subject: Process and manner for availing E-voting facility:

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the members to cast their votes electronically on all resolutions proposed to be considered at the Annual General Meeting (AGM) to be held on Thursday, 27th September 2018 at 2.00 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017** and at any adjournment thereof.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The e-voting facility is available at the link [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/).

The Electronic Voting Particulars are set out below:

EVEN	User ID	Password / PIN

The E-voting facility will be available during the following voting period:

Remote e-Voting Start On	Remote e-Voting End On
24 th September, 2018 at 9.00 A.M.(IST)	26 th September, 2018 at 5.00 P.M.(IST)

Please read the instructions mentioned in the Notice before exercising your vote.

For Gallantt Ispat Limited

Nitesh Kumar

(Company Secretary)

Date: August 13, 2018

Place: Gorakhpur

GALLANTT ISPAT LIMITED

CIN: L27109WB2005PLC101650

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Website: www.gallantt.com

ATTENDANCE SLIP

Annual General Meeting, Thursday, the 27th day of September, 2018 at 2.00 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017**

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy / Authorised Representative, if any	

I / We hereby record my / our presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 27th day of September, 2018 at 2.00 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017**

Signature of Shareholder/ Proxy/ Authorised Representative

Note: The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.

GALLANTT ISPAT LIMITED**CIN: L27109WB2005PLC101650**

Regd. Office: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700069

Telefax : +91 33 40642189, Email: nitesh@gallantt.com

Website: www.gallantt.com**FORM NO. MGT-11****Proxy Form**

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

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

**Applicable for Investors holding shares in electronic form.*

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

1.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

2.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

3.	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, the 27th September, 2018 at 2.00 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017**, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

**** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-**

Item No.	Resolution(s)		
	Ordinary Business	For	Against
1	To receive, consider and adopt a) Audited Financial Statements of the Company for the year ended March 31, 2018 together with the Report of the Board of Directors and Independent Auditors report thereon; and b) Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018 together with Independent Auditors Report thereon.		
2.	Declaration of Dividend for the Financial Year 2017-18.		
3.	Re-Appointment of Mr. Prem Prakash Agrawal (DIN : 01397585) as Director who is retiring by rotation.		
4.	Ratification of appointment of Auditors.		

	Special Business	For	Against
5.	Approval of payment of Remuneration to Cost Auditor.		
6.	To re-appoint Mr. Jyotirindra Nath Dey (DIN: 00180925) as an Independent Director for Second Term		
7.	To re-appoint Mr. Piyush Kankrania (DIN: 05241962) as an Independent Director for Second Term		
8.	To re-appoint Mrs. Sangeeta Upadhyay (DIN: 06920195) as an Independent Director for Second Term		
9.	Granting of loan to Gallantt Metal Limited under Section 185		

**Affix Re.1
Revenue
Stamp**

Signed this day of 2018.

Signature of Shareholder

Signature of Proxy holder(s):

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.
5. **This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



GALLANTT

www.gallantt.com

If undelivered, Please return to :

GALLANTT ISPAT LTD.

(CIN : L27109WB2005PLC101650)

1, Crooked Lane, Second Floor

Room Nos. 222 & 223

Kolkata - 700 069, W.B.