



ISPAT LIMITED

ANNUAL REPORT 2011-2012





Message from
Chairman & Managing Director

C. P. Agarwal

Dear Fellow Shareowners,

It is my pleasure to present the Annual Report of your Company along with the Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the financial year ended 31st March 2012. I am pleased to inform you that with your support and confidence of customers the Company was able to report a remarkable Turnover of Rupees 26796.11 Lacs during the year. I assure you that we would do our utmost to live up to expectations, deliver quality in all our operations and strive to increase shareholder wealth.

THE BACKDROP : ECONOMY & INDUSTRY :

The Financial Year 2011-12 had been a challenging year. The Global Economies witnessed a modest recovery with accelerated GDP growth in US. However concerns persisted with regard to the sustaining of the momentum. The uncertainty in the EURO zone primarily because of the sovereign debt crisis even after large scale infusion of liquidity by the European Commercial Banks has resulted in the negative GDP growth in the fourth quarter. The increases in oil prices which are mainly fuelled by uncertainties of supply have raised concerns on escalation of global inflation.

The continuing uncertainties in the international foreign markets and the depressed global economic scenario also had its toll on the Indian economy. As a result, India too has suffered and Indian economy grew at 6.5% in 2011-12, down from 8.4% in 2010-11. The GDP growth in 2011-12 was at 5.3% - the lowest it has been in 9 years. This has been mainly on account of slowdown in the industrial sector due to cumulative effect of the monetary tightening and slackening of external demands.

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

In 2011, India emerged as the world's fourth-largest steel producer after China, USA and Japan. India produced 74 MnT of crude steel in 2011-12 against 71 million tonnes in 2010-11 at an average capacity utilization of 83% in 2011-12, 91% in 2010-11, the steel demand in the country grew 6.8% in 2011-12, in accordance with the economic growth of the country.

COMPANY & ITS PERFORMANCE :

Despite the challenging environment your Company has been able to perform reasonably well registering an all-round growth in various parameters. Fiscal 2011-12 would be marked as important

year for the Company. I would like to touch upon some of the events which made this fiscal a special year. First, during the Financial Year, Company has issued and allotted 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures on Preferential Allotment basis to the Promoter and Non-Promoters on the terms and conditions as approved by the shareholders of the Company at their Extra-ordinary General Meeting. Fund infused in the Company through this Issue has been, as per the terms of the issue, utilized in meeting short term working capital requirements. Second, Captive Power Plant of 18 MW started commercial operation from July 25, 2011. It gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. With the installation of Captive Power Plant waste heat of Iron and Steel Units is utilized to generate power which in turn improved the profitability of the project thereby making it economically more viable. Third, Structural Mill forming part of the Re-Rolled Products Unit has started Commercial Operation from April 12, 2012. Last but not least, Company reported a remarkable turnover and profitability and you will be happy to learn that during the year, your company achieved a significant turnover of Rupees 26,796.11 Lacs. During the year your Company posted a Profit Before Tax (PBT) of Rs. 958.28 Lacs and Profit after Tax of Rs. 588.93 Lacs.

Your Company continued to focus in the areas aligned with the overall vision of being a leading Steel Makers of Uttar Pradesh and is investing its resources in core businesses across the integrated steel plant as well as Flour Mill unit and acquiring new and latest technologies and businesses that help meet changing aspirations of millions of consumers. At Gallantt Ispat, maximizing shareholders value is an article of faith. With this in mind, we will explore all emerging opportunities in the sector in which your Company operates.

CONCLUSION :

I express my sincere thanks to the Company's valued customers, shareholders and well wishers for their valuable contribution to the progress of the Company and seek their continued support and cooperation in future. I acknowledge with gratitude, the timely advice, valuable guidance and support received from management team, Board of Directors and our priceless staffs at all level without which the progress achieved would have been unattainable. I am also thankful to the Financial Institutions / Banks and other Government, Semi-Government and Non-Government Institutions for their co-operation and support to the Company.

Thanking you,
Yours truly,
C. P. Agarwal

Corporate Information

Eighth Annual Report 2011-2012

Board of Directors

Mr. Chandra Prakash Agarwal
Chairman & Managing Director

Mr. Prem Prakash Agarwal
Whole Time Director

Mr. Nitin M Kandoi
Whole Time Director

Mr. Rajesh Kumar Jain
Non-Executive Independent Director

Mr. Jyotirindra Nath Dey
Non-Executive Independent Director

Mr. Piyush Kankrania
Non-Executive Independent Director

Auditors

Anoop Agarwal & Co.,
Chartered Accountants

Cost Auditors

U. Tiwari & Associates
Cost Accountants

Company Secretary

Mr. Nitesh Kumar

Registered Office

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

Works Office

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

Bankers

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

Equity Shares Listed on

Bombay Stock Exchange Ltd.
National Stock Exchange of India Ltd.

Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B.R.B. Basu Road
Kolkata - 700 001
Phone : (033) 2235-7270/7271/3070/2234
Fax : (033) 2215-6823

Audit Committee of the Board

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

Share Transfer and Shareholders'/ Investors' Grievance Committee of the Board

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

Remuneration Committee of the Board

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

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IMPORTANT COMMUNICATION TO MEMBERS

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

Notice

Notice is hereby given that the Eighth Annual General Meeting of **GALLANTT ISPAT LIMITED** will be held on Tuesday, 25th September, 2012 at 11.30 A.M. at - RABINDRA OKAKURA BHAVAN, DD-27/A/1, Sector - 1, DD Block, Salt Lake City - Kolkata - 700 091 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as on 31st March, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To reappoint Mr. Jyotirindra Nath Dey, 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, with or without modification(s), the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT M/s. Anoop Agarwal & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an Ordinary Resolution:
"RESOLVED THAT Mr. Piyush Kankrania be and is hereby appointed a Director of the Company pursuant to Section 257(1) of the Companies Act, 1956."
6. To consider and if thought fit, to pass with or without modification(s), the following Resolutions as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed thereunder, the existing Articles of Association of the Company be amended as under :
 - i) After Article 106 of the Articles of Association of the Company, the following new Article 106A shall be inserted :
106A: The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.
 - ii) After Article 191 of the Articles of Association of the Company, the following new Article 191A shall be inserted :
191A : Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force."

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 5 & 6 set out in the Notice is annexed hereto.

Notice *Contd.*

3. Members are requested to note that the company's equity shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September, 2012 to 25th September, 2012 (both days inclusive)
5. Dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2012, when declared at the meeting, will be paid on or after 30th September, 2012 :
 - (i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 18th September, 2012 after giving effect to all valid transfers in physical form lodged on or before 18th September, 2012 with the Company and/or its Registrar and Transfer Agent; and
 - (ii) in respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Serviced (India) Limited (CDSL) at the close of business hours on 18th September, 2012.
6. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the company or its Registrar and Transfer Agent Any such changes effected by the DPs will automatically reflect in the company's subsequent records.
7. Members may avail of the nomination facility as provided under Section 109A of the Companies Act, 1956.
8. Pursuant to the requirements on corporate governance under Clause 49 of listing agreements entered into with stock exchanges, the information about the Directors proposed to be appointed and re-appointed is given in the Annexure to the Notice.
9. The annual report of the company circulated to the Members of the company, will be made available on the company's website at www.gallantt.com.
10. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers in the Attendance Slip for attending the Meeting.
11. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.

Registered Office :

1, Crooked Lane,
Second Floor, Room Nos. 222 & 223
Kolkata - 700 069
Date : August 13, 2012

By Order of the Board

Nitesh Kumar
Company Secretary

Notice *Contd.*

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

Item No. 5

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

At a Meeting of the Board of Directors of the Company held on March 29, 2012, Mr. Piyush Kankrania (Mr. Kankrania), aged 25 years, was appointed as an Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 and Article 151 of the Articles of Association of the Company.

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

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

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

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

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

Item No. 6

ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

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

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

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

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

Accordingly, your Board recommends passing of the Resolution No.6 as a Special Resolution.

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

Registered Office :

1, Crooked Lane,
Second Floor, Room Nos. 222 & 223
Kolkata - 700 069.
Date : August 13, 2012

By Order of the Board

Nitesh Kumar
Company Secretary

Directors' Report

Dear Members

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

1. WORKING RESULTS

(Rs. in Lacs)

Financial Results	2012	2011
Income from operation	26796.11	22,727.69
Other Income	1798.74	2059.68
Profit before Finance Cost, Depreciation and Tax	4065.21	2003.56
Less : Finance Cost	1732.99	625.02
Profit before Depreciation & Tax	2332.22	1378.54
Less : Depreciation (including amortization)	1373.93	553.55
Profit Before Tax	958.29	824.99
Prior Period Expenses	12.55	—
Provision for Tax :		
- Current	191.73	164.42
- Less - MAT Credit	(191.73)	(164.42)
- Deferred	356.80	508.88
Profit After Tax	588.94	316.11
Dividend (including Dividend Tax)	155.54	156.06
Balance carried to Balance Sheet	433.40	160.05

2. PERFORMANCE REVIEW

During the year your Company has reported a turnover of 26796.11 Lacs. The operating profit stood at Rs. 4065.21 Lacs. The Profit before Tax and Profit after Tax remains Rs. 958.29 Lacs and Rs. 588.94 Lacs respectively. The Basic Earnings and Diluted Earnings per share were at Rs. 2.20 and Rs. 2.13 respectively for Financial Year 2011-12. Yours Directors are pleased to report a good performance of the Company in terms of both financial and operational performance.

3. DIVIDEND

The management is pleased to recommend final dividend at the rate of Re. 0.50/- (Fifty Paise) per Equity Share on 2,67,66,505 Equity Shares of Rs. 10 /- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be Rs. 1,33,83,252.50 subject to tax.

4. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies

Act, 1956, as amended by the Companies (Amendment) Act, 2000 your Directors state that:

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

5. ISSUE OF 25,00,000 ZERO COUPON FULLY CONVERTIBLE UNSECURED DEBENTURES

During the year under report your Company concluded a Preferential Allotment of 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs") of Rs. 10/- each for cash at a price of Rs. 160/- per Equity Share including a Premium of Rs. 150/- each) aggregating to Rs. 40.00 Crores. Company has obtained In-principle Listing Approval from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. As per the terms of the issue, FCDs shall be compulsorily converted into 25,00,000 Equity Shares of Rs. 10/- each within a period of eighteen months from the date of allotment of FCDs. Members of the Company at their meeting held on 5th November, 2011 has approved the issue and allotment of the FCDs. Price at which FCDs have been issued and other terms and conditions is determined as per Section 81(1A) of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

To give effect to the conversion of FCDs into Equity Shares and to meet future requirements, the Authorised Share Capital of the Company has been increased from Rs. 28.00 Crores to Rs. 30.00 Crores only.

6. UTILISATION OF FCDs PROCEEDS

Company has procured Rs. 40,00,00,000/- (Rupees Forty Crore only). As per the terms and object of the Issue entire funds have been utilized in meeting working capital requirements of the Company and other Corporate purposes including repayment of Unsecured Loan taken by the Company.

Total Issue size of the FCDs was of Rs. 40,00,00,000/- (Rupees Forty Crore only) which was as per the terms of the Issue of FCDs was utilized in the following manner :

Head of Issue proceeds utilized	Amount Utilised (Amount in Rs.)
Meeting Working Capital Requirements	37,00,00,000/-
Other Corporate Purposes including Repayment of Unsecured Loan taken.	3,00,00,000/-

7. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and accordingly a Report on Corporate Governance together

with Auditors' Certificate on Corporate Governance is appended to the Annual Report. Your Company is committed to achieving the highest standards of Corporate Governance and has complied with the requirements of Clause 49 of the Listing Agreement. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is appended to the Annual Report.

8. LISTING INFORMATION

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2012-13. The ISIN No. of the Company is INE528K01011

9. CREDIT RATING

Company has appointed Fitch Ratings India Private Limited (hereinafter referred to as "Fitch") as Credit Rating agency. Fitch has assigned rating 'D' for Financial Assistance from Lenders. However, the management of the Company has not accepted the ratings so assigned and prefer the same for review by the Committee of Fitch.

10. FIXED DEPOSITS

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

11. PARTICULARS OF EMPLOYEES

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

12. AUDITORS & AUDITORS' REPORT

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

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

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

The particulars as prescribed under sub-section 1(e) of Section 217 of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of

Directors) Rules, 1988, is annexed hereto and form part of the report.

14. CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to the fulfillment of its social responsibility to society in general and those living in the vicinity of its facilities in particular. It regards this as a thrust activity area.

15. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

Our employees form the backbone of our organization. A remuneration policy, which rewards achievement and is in line with the best industry practices, is consistently followed. Training to improve on the job skills is an integral part of our human resource policy and is practiced across all functions within the organization. Industrial relations have remained harmonious throughout the year.

Your Company relies on its sales teams to deliver revenue growth, and entrust to them their most valuable assets - customers. In turn, your Company's sales teams brought a remarkable growth in the sales volume and profit margin irrespective of cut throat competition.

16. BOARD OF DIRECTORS

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

With effect from February 14, 2012 Mr. Virendra Kumar Keshari, Director of the Company has tendered resignation from the Directorship of the Company. At the Board Meeting held on 29th March, 2012 Mr. Piyush Kankrania was appointed as an Additional Director of the Company. The Committees of the Board of Directors of the Company was reconstituted as Mr. Virendra Kumar Keshari resigned from the Board of Directors of the Company. Mr. Piyush Kankrania was introduced in the various Committees of the Board. Mr. Piyush Kankrania has been appointed as the Chairman of the Audit Committee and is member in Remuneration Committee and Share Transfer and Shareholders'/Investors' Grievance Committee of the Board of Directors.

17. STATUS OF THE PROJECTS

Captive Power Plant and Structural Mill Unit (forming part of Re-rolled products unit) started commercial operation from July 25, 2011 and April 12, 2012 respectively. Other Units of the project are already operational.

18. PRODUCTION CAPACITY

Production capacity of various units of the Company are as under :

- i. Steel Melt Shop (Re-Rolled products) : 1,18,800 MTPA
- ii. Rolling Mill (M.S.Billets) : 1,18,800 MTPA
- iii. Flour Mill : 1,18,800 MTPA
- iv. Sponge Iron (DRI) : 99,000 MTPA
- v. Captive Power Plant (CPP) : 18 MW

19. GOVERNMENT INCENTIVES AND SUBSIDIES

The State Government of Uttar Pradesh had granted facilities to industries being set up in Uttar Pradesh having investment of above Rs. 100.00 Crores. The incentives were originally granted vide G.O. Numbers 1502/77-6-2006-10 Tax/04 dated June 1, 2006 which have been elaborated in G.O. Numbers 2941/77-6-2006-10 Tax/04 dated November 30, 2006, and further amended from time to time.

Your Company having satisfied and fulfilled the eligibility criteria for getting benefits under the above Scheme and having declared as eligible unit under scheme, a subsidy of Rs. 24.28 Crores have been disbursed by the Government of Uttar Pradesh as a part disbursement of the subsidies. Further, that Company has claimed further subsidy to the State Government of Uttar Pradesh pursuant to the investment made in the fixed capital.

Vide their G.O. bearing no. 1674/77-6-11-10/(Tax) 04 T.C.-12 dated November 18, 2011, State Government of Uttar Pradesh has abolished the existing Scheme of Subsidies and Incentives given to the Industries having a Fixed Capital Investment of above Rs. 100 Crores as discussed hereinabove.

Being the unconstitutional decision and injustice on the part of the State Government of Uttar Pradesh, and for getting equal protection of law of land, your Company has preferred a Writ petition bearing no. 12710/2011 / Misc. Bench dated 17.12.2011 at Honorable High Court of Allahabad, Lucknow Bench, Uttar Pradesh.

20. SHARE CAPITAL

Authorised Share Capital of the Company has been increased from Rs. 28.00 Crores to Rs. 30.00 Crores. At the end of the 2011-12, your Company's Paid-up Equity Share Capital remained at Rs. 26,76,65,050/- (comprising of 2,67,66,505 Equity Shares of Rs. 10/- each).

20. PROMISE VIS-À-VIS PERFORMANCE

Sl. Nos.	Project Unit	Expected Date of Completion	Actual Date of Completion	Reason for delay, if any
1.	Setting up of Flour Mill	March, 2009	March, 2009	N.A.
2.	Setting up of Mild Steel Billets	May, 2009	May, 2009	N.A.
3.	Setting up of Re-Rolled Products	May, 2009	May, 2009	N.A.
4.	Setting up of Structural Mill Unit	March, 2011	April, 2012	Delay is due to technical reason.
5.	Setting up of Sponge Iron manufacturing unit	September, 2010	October, 2010	Commercial Operation started from 3rd October, 2010.
6.	Setting up of Captive Power Plant	March, 2011	July, 2011	Delay in availability and supply of the parts and machineries for the Captive Power Plant.

22. ACKNOWLEDGEMENT

Your Directors would like to record its appreciation for the co-operation and support received from its employees, shareholders, Government agencies and all stakeholders.

On behalf of the Board

Place : Kolkata
Date : August 13, 2012

C.P. Agarwal
Chairman

Annexure to Directors' Report

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

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

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

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

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

FORM - A

Disclosure of Particulars with respect to conservation of energy

(Rs. in lacs)

A.	Power & Fuel Consumption	2011-12	2010-11
1.	Electricity		
	(a) Purchased		
	Total Unit in Lacs KWH	518.95	646.42
	Amount Rs. in Lacs	2214.64	2714.91
	Rate Per Unit (Rs.)	4.27	4.19

Annexure to Directors' Report

A.	Power & Fuel Consumption	2011-12	2010-11
	(b) Own Generation		
	Total Units in Lacs KWH	303.40	Nil
	Amount Rs. in Lacs	1213.62	Nil
	Rate per Unit	4.00	Nil
	2. Coal		
	Quantity- M.T.	69123.07	38948.64
	Total Cost - Rs. in Lacs	3501.84	1411.45
	Average rate - Rs. per M.T.	5066.09	3623.87
	3. Furnace Oil		
	Quantity (K. Ltrs.)	76.46	110.96
	Total Cost (Rs. Lacs)	33.23	35.43
	Average Rate (Rs. / K. Ltrs.)	43461.20	31930.42
B.	Consumption per unit of production		
	1. Electricity (Unit/M.T.)		
	- Agro	114.66	102.80
	- Sponge Iron	160.84	178.55
	- Rolling	140.68	171.95
	- SMS (Furnace and Concast)	1036.75	1078.01
	2. Coal (Kg/M.T.)		
	- Sponge Iron	913.22	1569.42
	- Rolling	160.28	171.23
	- Power Plan (Per 1000 KWH)	125.45	Nil

Note : Furnace Oil is consumed in Rolling Mill and its consumption is very nominal.

FORM - B

Disclosure of Particulars with respect to technology absorption

RESEARCH & DEVELOPMENT (R&D)

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Absorbing and adapting latest technology in maintenance system.
 - Technical Interaction with expert.
 - Continuous efforts are being made towards improvements in existing production process.
2. **Benefits derived as a result of the above efforts**
- Improvement in quality of products.
 - Cost reduction
 - Improvement in the existing process and productivity.
 - Knowledge of updated technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiative taken to increase exports, development of new export markets for products and export plans - Nil

2. Total foreign exchange used and earned

(Rs. in Lacs)

	2011-2012	2010-2011
CIF Value of imports	770.10	69.49
Expenditure in foreign currency	Nil	Nil
Earning in foreign currency	Nil	Nil

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is an internalised process which drives your Company to remain in its path as a sustainable wealth creator for all its stakeholders - shareholders, customers, employees and the overall society at large within which it exists. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders.

BOARD OF DIRECTORS

I. Size and Composition of the Board

The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. 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 has strength of Six Directors as on 31st March, 2012. Our Board of Directors has Three Independent Directors.

During the financial year ended 31st March, 2012 Sixteen Meetings of the Board were held on 5th April, 2011; 25th April, 2011; 28th May, 2011; 20th July, 2011; 2nd August, 2011; 12th August, 2011; 6th September, 2011; 26th September, 2011; 28th September, 2011; 2nd October, 2011; 22nd October, 2011; 12th November, 2011; 1st December, 2011; 29th December, 2011; 14th February, 2012 and 29th March, 2012. The details regarding the attendance of Directors at the Board Meetings, Number of other Directorships and Committee positions held by them in other Companies as on 31st March, 2012 are given below :

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 16 meetings held during the year	No. of Other Directorships	Committee Positions held	
					Chairman	Member
Mr. Chandra Prakash Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	16	1	Nil	Nil
Mr. Prem Prakash Agarwal Whole-time Director	Executive / Promoter	No	12	Nil	Nil	Nil
Mr. Nitin M Kandoi Whole-time Director	Executive/ Promoter	No	12	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director	Non-Executive/ Independent	Yes	14	2	1	2
Mr. Rajesh Kumar Jain Director	Non-Executive/ Independent	No	14	1	1	2
Mr. Virendra Kumar Keshari Director	Non-Executive/ Independent	Yes	13	1	1	2
Mr. Piyush Kankrania Director	Non-Executive/ Independent	No	1	Nil	Nil	Nil

Notes :

- Mr. Virendra Kumar Keshari, Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey and Mr. Piyush Kankrania have been considered as Independent Directors as they do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, etc. which in judgment of the Board, may affect independence of their

Report on Corporate Governance

judgment. Further, Mr. Virendra Kumar Keshari has resigned from the Directorship of the Company and Mr. Piyush Kankrania has been introduced in the Board as a Non-Executive Independent Director.

- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Share Transfer and Investors'/Shareholders' Grievance Committee and Remuneration Committee have been considered.
- The Company placed before the Board of Directors the annual operating plans, capital budgets, the information on recruitment and remuneration of senior officers just below the board level, performance and various other information, including those specified under Annexure I of the Listing Agreement from time to time.

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

Mr. Virendra Kumar Keshari has resigned from the Board of the Company with effect from 14th February, 2012. Further, Mr. Piyush Kankrania has been appointed as Additional Director of the Company at Board Meeting held on March 29, 2012.

APPOINTMENT & REAPPOINTMENT OF DIRECTOR :

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

Mr. Jyotirindra Nath Dey, Director of the Company retires by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting. Mr. Jyotirindra Nath Dey is an electrical engineer having experience of over 42 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. Association of Consulting Engineering (I), Indian Society of Lighting Engineer, Arbitration Council of India, and many more.

Details of Mr. Jyotirindra Nath Dey are as under :

Name of the Director	Mr. Jyotirindra Nath Dey
Date of Birth	05.06.1937
Date of Appointment	10.10.2009
Qualifications	Electrical Engineer
Directorship in other Companies	Gallantt Metal Limited Princeton Comtrade Private Limited Saheli Goods Private Limited Concrete Credit Limited Woodland Trade-Link Private Limited. Nilgiri Vanijya Private Limited Pristine Dealer Private Limited Primelink Dealer Private Limited
Membership/Chairmanship of Committees of the other public companies on which he is a Director	Gallantt Metal Limited
No. of Shares held in the Company	Nil

Details of Mr. Piyush Kankrania are as under :

Name of the Director	Mr. Piyush Kankrania
Date of Birth	20.12.1987
Date of Appointment	29.03.2012
Qualifications	B-Com(H), Chartered Accountants

Report on Corporate Governance

Experience	Mr. Piyush Kankrania is a Commerce Graduate from Calcutta University and a qualified Chartered Accountant. He possesses rich experience over 3 years of in the filed of Accounts, Finance, Taxation, Auditing and Corporate Affairs. He has handled number of issues pertaining to above areas.
Directorship in other Companies Committees	NIL
Membership/Chairmanship of the other public companies on which he is a Director	NIL
No. of Shares held in the Company	NIL

CODE OF CONDUCT :

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

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

In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 20011-12".

Chandra Prakash Agarwal
Chairman & Managing Director

Mayank Agrawal
CEO

COMMITTEES OF THE BOARD

II. AUDIT COMMITTEE :

The Company has constituted an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 and the terms of reference are in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Audit Committee is vested with role and powers as mentioned in para C & D respectively of Clause 49(II) of the Listing Agreement. All the Members of the Committee are Independent Directors and every Member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company can also attend the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

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

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Chairmanship of the Audit Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as Chairman of the Committee.

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

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts, before submitting to the Board of Directors. During the year 2011-12, six meetings were held on 28th May, 2011, 12th August, 2011, 6th September, 2011, 12th November, 2011, 14th February, 2012 and 29th March, 2012.

Report on Corporate Governance

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

Names	Designation	Category	Committee Meeting Attended
Mr. V. K. Keshari*	Chairman	Independent	5
Mr. J. N. Dey	Member	Independent	6
Mr. R. K. Jain	Member	Independent	5
Mr. P. Kankrania**	Chairman	Independent	1

*Resigned from the Committee with effect from 14th February, 2012.

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

REMUNERATION COMMITTEE :

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

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Remuneration Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as a Member of the Committee.

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

Remuneration of Directors

(a) Executive Directors (Managing / Wholetime Directors)

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

Name	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Chandra Prakash Agarwal	Managing Director	6,00,000/-
Mr. Prem Prakash Agarwal	Wholetime Director	6,00,000/-
Mr. Nitin M Kandoi	Wholetime Director	6,00,000/-

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

(b) Non-Executive Directors

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. The Company pays sitting fees of Rs. 500 to its Non-executive Directors for attending the meeting of the Board of Directors or Committees of the Board.

SHARE TRANSFER & SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE :

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

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Share Transfer & Shareholders/Investors Grievance Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as a Member of the Committee.

Report on Corporate Governance

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

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

During the year 2011-12, two meetings of the Share Transfer & Shareholders/Investors Grievance Committee were held on 30th November, 2011 and March 29, 2012.

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

Names	Designation	Category	Committee Meeting Attended
Mr. R. K. Jain	Chairman	Independent	2
Mr. V. K. Keshari*	Member	Independent	1
Mr. J. N. Dey	Member	Independent	2
Mr. P. Kankrania**	Member	Independent	1

*Resigned from the Committee with effect from 14th February, 2012.

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

During the year Company has received One complaint which were successfully redressed.

III. SUBSIDIARY COMPANY :

Company has no Subsidiary Company(s).

IV. DISCLOSURES :

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

General Body Meetings :

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

Year	Venue	Date	Time
2011	Bhartiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata - 700 017	28.09.2011	02.00 P.M.
2010	11, Crooked Lane, Second Floor, Kolkata - 700 069	06.09.2010	10.00 A.M.
2009	"ASHYANA", 29C, Bentinck Street, Kolkata - 700 069	20.08.2009	01.30 P.M.

Details of Resolutions passed through Postal Ballot :

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

Compliance Certificate :

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

Means of Communication :

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

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.

Report on Corporate Governance

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.

Management Discussion & Analysis Report

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

Compliance Officer

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

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

Phone : +91-33-40642189, Telfax : +91-33-22312429.

General Shareholder Information :

1. Date, Time and Venue of 8th AGM	Tuesday, 25th September, 2012 at 11.30 A.M. at Rabindra Okakura Bhavan, DD-27/A/1, Sector-1, DD Block, Salt Lake City, Kolkata-700 091
2. Financial Calender	1st April to 31st March
3. Dates of book closure	19th September, 2012 to 25th September, 2012
4. Listing on stock exchanges	Bombay Stock Exchange Ltd. (BSE) National Stock Exchange of India Ltd. (NSE)
5. Listing fees for 2012-13	Paid for both the Stock Exchanges
6. Electronic Connectivity	National Securities Depository Ltd. & Central Depository Services (India) Ltd.
7. Registered Office	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700 069 Phone : +91-33-40642189 Telfax : +91-33-22312429 Website : gallantt.com , E-mail : nitesh@gallantt.com
8. Works Office	Plot No. AL-5, Sector - 23, Gorakhpur Industrial Development Authority (GIDA) Sahjanwa, Gorakhpur, U.P. Phone : +91-551-2700302 Fax : +91-551-2700320
9. Registrar and Share transfer agent	Share transfers in physical form and other communication regarding share Transfer, certificates, dividends, change of address, etc. may be addressed to : NICHE TECHNOLOGIES PVT. LTD. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 Phone Nos. : +91-33-22156823 Fax No. : +91-33-22156823 Contact Person : Mr. S. Abbas E-mail : nichetechpl@nichetechpl.com Website : www.nichetechpl.com
10. Dividend	A dividend of Re. 0.50 per equity share will be credited / dispatched on or after 30th September, 2012 subject to approval by the shareholders at the Annual General Meeting to be held on 25th September, 2012.

Report on Corporate Governance

11. Stock Market Data

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

(Amount in Rs.)

Year 2011-12	BSE		NSE	
Month	High	Low	High	Low
April	101.50	71.10	104.00	72.00
May	97.95	86.00	98.00	82.95
June	98.20	86.00	98.00	80.00
July	98.10	87.05	106.60	88.00
August	91.50	85.00	98.00	87.20
September	103.00	88.55	101.70	88.20
October	118.80	95.00	118.45	97.00
November	119.10	112.00	119.10	111.95
December	116.75	67.40	116.00	74.85
January	64.05	35.10	71.15	38.45
February	46.45	40.00	46.70	39.00
March	44.20	38.65	45.00	38.70

Share Transfer System :

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

Dematerialisation of Shares and Liquidity :

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 100.00% of Equity Shares have been dematerialized as on 31st March, 2012.

Stock Code :

Bombay Stock Exchange Limited

533265

National Stock Exchange of India Limited

GALLISPAT

Distribution of Shareholding

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

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	1394	87.78	1,61,986	0.61
501-1,000	55	3.46	42,730	0.16
1,001-5,000	74	4.66	1,57,692	0.59
5,001-10,000	12	0.75	92,504	0.35
10,001-50,000	17	1.07	4,08,113	1.52
50,001-1,00,000	14	0.88	10,25,853	3.83
1,00,001 and Above	22	1.39	2,48,77,627	92.94
TOTAL	1,588	100.00	2,67,66,505	100.00

Report on Corporate Governance

Categories of shareholding as on 31st March, 2012

Category (as Gallantt Ispat reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING:		
Promoters	1,87,18,131	69.93
Total Promoters' Holding	1,87,18,131	69.93
PUBLIC SHAREHOLDING:		
Institutional Investors		
Financial Institution Investor	13,25,145	4.95
Others		
Bodies Corporate	20,95,381	7.83
Individuals	27,22,331	10.17
NRI/OCBs	18,86,000	7.05
Clearing Memb/Clearing Cor (Demat shares in transit)	19,517	0.07
Total Public Shareholding	80,48,374	30.07
GRAND TOTAL	2,67,66,505	100

Details of Fund Obtained - Issue of Zero Coupon Fully Convertible Unsecured Debentures :

During the Financial Year 2011-12 Company has concluded Preferential Allotment of 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs") at a price of Rs. 160/- (including a premium of Rs. 150/- each) under the provisions of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. As per the terms of the Issue, FCDs so allotted shall be compulsorily converted into 25,00,000 Equity Shares of Rs. 10/- each fully paid up.

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.)

Tel : +91-33-40642189

Telefax : +91-33-22312429

ADOPTION OF NON-MANDATORY REQUIREMENTS :

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

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

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

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

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

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

For **Anoop Agarwal & Co.**

Chartered Accountants

H. C. Pant

Partner

Membership No. 017694

Place: Kolkata

Date : 13.08.2012

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

We, Mayank Agrawal, CEO and Mr. Nitesh Kumar, Manager Accounts & Finance and Company Secretary, of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of my knowledge and belief, hereby certify that:

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

Kolkata

August 13, 2012

Nitesh Kumar

Manager Accounts & Finance
and Company Secretary

Mayank Agrawal

Chief Executive Officer

Management Discussion and Analysis Report

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

BUSINESS OVERVIEW :

The global economy has been very volatile in the last twelve months. While the first half of 2011 showed definite signs of recovery, the Euro crisis clearly influenced the business sentiment of the underlying economy since August - September 2011. After a fairly steady first quarter of the financial year, the operating environment in Europe started to decelerate very significantly in the third quarter with contraction in the market demand for steel resulting in lower spread between raw material prices and steel prices.

In comparison, India was relatively better positioned for the first half of the fiscal year, though the domestic economy slowed down in the second half. Supply side issues on raw material availability and the sharp depreciation of the Rupee affected the operating environment of the industry.

INDUSTRY OVERVIEW :

Steel Industry

The global steel demand is estimated to have increased by 6% to reach a new high of 1,373 million tonnes, 13% above the pre crisis levels in 2007. Growth was led by the emerging economies, notably China (6% up) and India (4% up), where new demand records were set. In the developed economies, demand levels remained 15-25% below 2007 levels. Europe saw steel demand increase by 5% and North America by 9%, but steel demand in Japan fell by 3%, as the impact of the earthquake and subsequent tsunami was felt on the manufacturing activity.

Indian Steel industry is the core strength of the Indian Economy. It is the engine of growth for the Indian Economy. The Indian Steel Industry occupies a place of great prominence in the Indian economy in view of its substantial earnings, employment generation and growth potential. The steel industry is an employment intensive sector, providing jobs to millions of people, mostly from the weaker sections of our society. The demand for steel in India remains robust and in fact continues to outstrip supply. India has been a net importer of steel especially at the high value-added end product portfolio and is likely to continue to do so. The steel demand in India will continue to grow given the significant need for infrastructure growth and the increasing urbanization of the population

In 2011, the industry was faced with stiff challenges due to rising inflationary pressures and deteriorating global growth conditions. The multiple hikes in interest rates by the central bank also impacted the industry's growth in rate sensitive key user industries. The production of flat products and long products of major Indian companies is estimated to have grown by around 7.5% and 4.5% respectively during Financial Year 2011-12 when compared with the previous financial year. Steel consumption of Flat products and Long products in Financial Year 2011-12 grew by 2.3% and 5.8% respectively.

Agro Industry (Wheat Products)

Your Company's current portfolios for wheat products include wheat flour products like atta, maida, suji and bran. Products are being sold to markets like Uttar Pradesh, Bihar, West Bengal etc.

The healthy growth of the economy is resulting in rising income levels of the population, increasing urbanization and a larger number of working couples. All these factors create the potential for the healthy growth and development of the food industry.

OPPORTUNITIES AND THREATS

Opportunities for Steel Division :

Indian steel demand growth is expected to remain subdued due to slowdown in investments and delayed start-up of industrial projects. However, the automotive segment, the focus area for the Company, is expected to grow by 11-13% in Financial Year 2012-13. As per worldsteel forecasts, steel demand in India should grow by 6.9% in 2012 and the growth should accelerate to 9.4% in 2013.

With a very low per capita consumption of steel in India as compared to global average, the opportunity for growth in the domestic market is high. There are substantial market opportunities, in the state of Uttar Pradesh, Bihar and Jharkhand particularly, that warrants further expansion of steel capacity.

Significant importance is given by the Central Government on the development of urban infrastructures, Agricultural sector, affordable housing etc which are expected to aid for the growth directly or indirectly. With the consistent higher GDP, there will be improvement in the disposable income of the people.

Opportunities for further developing and expanding the business exist in the areas of intensification of sales and distribution of the existing markets, expanding geographically to new markets, marketing innovation and new product developments.

Opportunities for Agro Division :

Uttar Pradesh is the largest wheat producing state in the country followed by Punjab, Haryana and Madhya Pradesh. As a practice, our Company procures wheat directly from farmers in the nearby areas and for this our Company has established Wheat Purchase Centres in the nearby wheat cultivating areas for purchase of wheat directly from the farmer. Despite Uttar Pradesh being the populous state with availability of wheat in huge quantity, it was lacking big production houses of wheat products like atta, suji, maida, bran etc. There is substantial gap between the supply and demand of products manufactured by the Company in Uttar Pradesh and neighbor states. Hence, Company has good opportunities supply the required quantity of wheat products and to bridge the gap between demand and supply. Being the first unit of such large scale with modern and state of the art technologies, opportunities for exploring market within and outside the region in this segment is expected.

Management Discussion and Analysis Report

THREATS & RISKS :

The rising cost of materials is creating pressure on the margins. The ability to maintain margins without sacrificing growth is a matter of concern. The increased cost of financing for working capital is putting pressure on all the projects of the Company.

Increasing competition will remain a constant threat. Cheaper imports from countries such as China and Ukraine will make steel industry vulnerable. Electricity continues to be in short supply and its domestic and industrial demand is rising. As the Company is self sufficient in supply of raw materials and has captive facilities for meeting its electricity requirement, the Company is expected to do better in coming years.

The year ahead appears challenging with the volatility in the market, increased and new competition, fluctuating foreign exchange, rising interest rates, inflation, rising crude oil prices, and natural disasters. A key challenge of the Company is to ensure that its plants are equipped with updated technologies in order to serve clients, secure cost competitiveness and maintain leadership in the region.

OUTLOOK

The global economy is on a recovery path due to concerted policy actions around the world although it is still looking fragile in some regions. Primary uncertainty remains with the Eurozone, where high debt levels and austerity measures may drag the economic improvement for a prolonged period. US has shown sustained improvement and looks set for a slow but steady growth in the coming period. Chinese GDP growth and targets remains strong albeit softening to some extent in the recent quarters. Growth in the Indian economy is expected to remain strong, although the momentum in industrial activity is losing steam. Overall, the world GDP is expected to grow by 3.3% in 2012 with emerging and developing economies leading the growth (+5.4% in 2012) and developed economies growing by 1.2%.

The rise in construction activities, too, fuelled volume growth for the steel, thereby indicating that recovery in demand is broad-based and is gathering pace. The domestic demand, especially from the railways, and varied use of stainless steel, will also act as a catalyst in growth of the steel industry in India. The Real Estate sector is at the cusp of a new dawn. An increase in the pace of urbanisation, rising disposable income, and greater customer sensitivity to the quality of products being consumed is spurring the demand for high quality residential housing in India.

FINANCIAL PERFORMANCE AND FINANCIAL MANAGEMENT

Profit after tax at 588.94 Lacs during the financial year 2011-12 was remarkable as compared to the financial year's 2010-11 profit stood at Rs. 316.11 Lacs. The Basic Earnings and Diluted Earnings per share were at Rs. 2.20 and Rs. 2.13 respectively for Financial Year 2011-12.

Your Company has maintained its profitable growth and the Management believes that this is sustainable, barring unforeseen circumstances. The Board of Directors has

recommended a dividend @ 50 paise per share (i.e., 5%) on equity shares for the year ended March 31, 2012, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the fiscal, Company has arranged Rs. 40.00 Crore from Preferential Allotment of 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs"). The FCDs so allotted shall be fully convertible into 25,00,000 Equity Shares as per the terms of the issue of FCDs. Company has obtained In-principle Listing approval from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Borrowing from Commercial Banks and other lenders is integral to running the business. The Company has been availing various types of financial facilities from Commercial Banks and other lenders for meeting fund requirements for implementing the projects and working capital.

INTERNAL CONTROLS AND SYSTEMS

Your Company has an adequate system of internal controls in place to ensure that all its assets are safeguarded and protected and that all transactions are authorized, recorded and reported correctly. In Gallantt Ispat, the Audit Division continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes. The division also assesses opportunities for improvement in business processes, systems and controls; provides recommendations, designed to add value to the organisation and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management.

During the year, the Audit Committee met regularly to review the reports submitted by the Audit Division. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

STATUTORY COMPLIANCE

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

CAUTIONARY STATEMENT-A DISCLAIMER

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Auditor's Report to the Shareholders

To the Members

1. We have audited the attached Balance Sheet of GALLANTT ISPAT LIMITED as at 31st March, 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comment in the annexure referred to in Paragraph 3 above, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for my audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 as on 31st March, 2012.
 - f. We draw attention to note no. 24 & 24.2 regarding other Income from commission and profit on sale of rights on land.
 - g. In our opinion and to the best of our knowledge and according to the explanation given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner as required, and give a true and fair view in conformity with the accounting principles generally accepted in India subject to decision of honorable High Court and in case decision comes against the Co. the profit of the company will be reduced by Rs. 1753.89 Lacs.
 - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) In the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

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

(H.C.Pant)

Partner

Membership No. 17694

Place : Kolkata

Dated : August 13, 2012

Annexure to the Auditor's Report

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

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) No fixed assets have been disposed during the year.
- ii)
 - a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification.
- iii)
 - a) The Company had taken loan from other company covered in the register maintained under section 301 of the Companies Act, 1956. The number of such parties is three and the maximum amount involved during the year was Rs. 2025.28 lacs and year end balance is Nil. The company has granted loans, secured or unsecured to Companies, firms or other parties, covered in the register maintained under section 301 of the Act. The number of such party is one and the maximum amount involved during the year was Rs. 185.00 Lacs and year end balance is Nil.
 - b) In our opinion, the rate of interest and other terms and conditions on which loan has been taken and granted from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the company.
 - c) The company is regular in repaying the principal amount and interest as stipulated and no amount is overdue.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories, fixed asset and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) According to the information and explanation provided by the management, the transactions that need to be entered into the register maintained U/S 301 of the Companies Act, 1956 have been so entered. The transaction exceeding the value of rupees five lakhs in respect of each party have been entered during the year, whose market price at the relevant time of the transaction is not available before us to enable us to comment on the reasonability of the market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public as stipulated under the Provisions of section 58A and 58AA of the Companies Act, 1956.
- vii) The Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- viii) The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- ix)
 - a) In our opinion and according to the information and explanations given to us, Company is generally been regular in depositing with appropriate authorities undisputed statutory dues, as required under this clause and applicable to the Company during the year.
 - b) According to the information and explanations given to us, there is no undisputed amount payable in respect of statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2012.

Annexure to the Auditor's Report

- c) Details of dues of Value Added Tax which have not been deposited as on 31st March, 2012 on account of disputes are given below :

Statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount involved (Rs. in Lakh)
UP VAT Act, 2008	VAT	Government of Uttar Pradesh	August 2011 to March 2012	953.96

- x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore clause 4(xiii) of the order is not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, other investments and contracts.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act 1956.
- xix) During the year the company has allotted 2500000, 0% Fully Convertible Debentures of Rs. 10 each at a premium of Rs. 150.00 each.
- xx) During the Year the company has not raise any money by way of public issue.
- xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

(H.C.Pant)
Partner

Membership No. 17694

Place : Kolkata
Dated : August 13, 2012

Balance Sheet as at 31st March, 2012

(Amount in Rs.)

Particulars	Notes	As at 31st March, 2012	As at 31st March, 2011
A. EQUITY AND LIABILITIES			
1. SHAREHOLDER'S FUNDS			
Share Capital	2	267,665,050	267,665,050
Reserve & Surplus	3	1,541,310,874	1,122,972,009
SUB TOTAL		1,808,975,924	1,390,637,059
2. NON CURRENT LIABILITIES			
Long Term Borrowings	4	843,850,000	738,200,000
Deferred Tax Liability	5	135,561,165	99,880,897
Other Long Term Borrowings	6	—	—
Long Term Provisions	7	—	—
SUB TOTAL		979,411,165	838,080,897
3. CURRENT LIABILITIES			
Short Term Borrowings	8	466,931,276	437,911,527
Trade Payables	9	87,754,501	70,547,176
Other Current Liabilities	10	623,165,085	376,215,684
Short Term Provisions	11	15,554,353	15,606,053
SUB TOTAL		1,193,405,215	900,280,440
TOTAL		3,981,792,304	3,128,998,396
B. ASSETS			
1. NON CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	12	2,670,388,589	1,761,864,029
Intangible Assets	13	515,454	633,531
Capital Work in Progress		161,516,022	633,959,765
Non Current Investments	14	5,145,178	5,145,178
Long Term Loans and Advances	15	4,693,294	95,797,753
Other Non Current Assets	16	—	—
SUB TOTAL		2,842,258,537	2,497,400,256
2. CURRENT ASSETS			
Current Investments	17	—	—
Inventories	18	451,967,537	208,558,758
Trade Receivables	19	164,372,544	135,235,818
Cash and Cash Equivalents	20	15,134,514	30,659,685
Short Term Loans and Advances	21	464,081,829	229,653,716
Other Current Assets	22	43,977,343	27,490,163
SUB TOTAL		1,139,533,767	631,598,140
TOTAL		3,981,792,304	3,128,998,396
Note forming part of Financial Statement	1 to 47		

As per our report of even date

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

Partner

Membership No. : 17694

Kolkata, 13th August, 2012

C. P. Agarwal

Chairman & Managing Director

P. P. Agarwal

Whole time Director

Nitin M Kandoi

Whole time Director

Nitesh Kumar

Company Secretary

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

(Amount in Rs.)

	Notes	Year ended 31st March, 2012	Year ended 31st March, 2011
A. REVENUE			
Revenue from Operations	23	2,679,610,681	2,272,768,760
Other Income	24	179,874,347	205,968,469
TOTAL (A)		2,859,485,028	2,478,737,229
B. EXPENSES			
Changes in Inventories of Finished Goods	25	(120,899,364)	4,025,737
Cost of Materials consumed	26	2,246,928,530	1,932,705,481
Employee Benefit Expense	27	17,478,799	12,485,066
Financial Costs	28	173,299,479	62,501,642
Depreciation and Amortization Expenses	29	137,393,364	55,355,206
Other Expenses	30	306,670,357	326,399,303
TOTAL (B)		2,760,871,165	2,393,472,435
Profit before Exceptional and Extraordinary Items And Tax (A)-(B)		98,613,863	85,264,794
Exceptional and Extraordinary Items (preliminary exp w.off)		2,785,849	2,765,849
Profit before Tax		95,828,014	82,498,945
Less Prior Period Exp	31	1,254,528	–
Profit After Prior Period Exp		94,573,486	82,498,945
Tax Expense			
- Current Tax		19,173,029	16,442,450
- Less : Mat Credit		(19,173,029)	(16,442,450)
- Deferred Tax		35,680,268	50,887,897
Total Tax		35,680,268	50,887,897
Profit for the year		58,893,218	31,611,048
Earning per Equity Share	32		
Basic		2.20	1.40
Diluted		2.13	1.40
Note forming part of Financial Statement	1 to 47		

As per our report of even date

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

Partner

Membership No. : 17694

Kolkata, 13th August, 2012

C. P. Agarwal

Chairman & Managing Director

P. P. Agarwal

Whole time Director

Nitin M Kandoi

Whole time Director

Nitesh Kumar

Company Secretary

Cash Flow Statement for the year ended 31st March, 2012

(Amount in Rs.)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	95,828,014	82,498,946
Addition :		
Depreciation	137,393,364	55,355,206
Misc. Expenditure Written Off during the year	2,785,849	2,765,849
Profit on Sale of Investments	—	(32,256,824)
Expenses relating to earlier years	(1,254,528)	—
Cash Flow from Operating Activities before Working Capital changes	234,752,698	108,363,176
Less : Dividend Paid	15,606,053	—
Less : Income Tax paid	16,442,450	111,100
Net Cash Flow from operating Activity	202,704,195	108,252,076
Adjustments :		
Increase in Inventories	(243,408,779)	(110,278,705)
Increase in Trade receivables	(29,136,726)	(86,831,603)
Increase in Short Term Loans & Advances	(234,428,113)	158,492,452
Increase in Short Term Borrowings	4,019,749	—
Increase in Trade Payables	17,207,325	32,625,315
Increase in Other Current Liabilities	246,949,401	94,707,022
Decrease in Short Term Provisions	—	—
Cash (Used in) Operating Activities	(36,092,948)	196,966,557
2. CASH FLOW FROM INVESTING ACTIVITIES		
Addition of Tangible Assets	(1,045,799,847)	(1,123,647,276)
Decrease in Capital WIP	472,443,743	—
Increase in Other Current Assets	(2,830,579)	(9,520,831)
Decrease in Investment	—	1,954,822
Profit on Sale of Investment	—	32,256,824
Net Cash (Used in) Investing Activities	(576,186,683)	(1,098,956,461)
3. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in shareholders fund	—	81,002,080
Increase in Share Premium	—	324,008,320
Decrease in Long Term Loans & Advances	91,104,459	—
Issue of Debenture	25,000,000	—
Premium on Debenture	375,000,000	—
Increase / Decrease in advance against equity	—	(70,000,000)
Repayment of Un-Secured Loan	—	(172,418,870)
Increase in Long Term Borrowing	105,650,000	763,377,306
Net Cash Flow from Financing Activities	596,754,459	925,968,836
Net Change in Cash & Cash Equivalent	(15,525,172)	23,978,932
Opening Balance of Cash & Cash Equivalent	30,659,685	6,680,754
Closing Balance of Cash & Cash Equivalent	15,134,514	30,659,685
Cash & Cash Equivalent comprises of :		
Cash on hand	9,609,348	17,911,394
Cheques, draft on hand	—	—
Balance with Banks		
Fixed deposits with Banks	4,926,607	2,015,607
Balance with Banks	598,559	10,732,684
Total	15,134,514	30,659,685

As per our Report of even date

For **Anoop Agarwal & Co.**

Chartered Accountants

(Registration No. 01739C)

H. C. Pant

Partner

Membership No. : 17694

Kolkata, 13th August, 2012

C. P. Agarwal

Chairman & Managing Director

P. P. Agarwal

Whole time Director

Nitin M Kandoi

Whole time Director

Nitesh Kumar

Company Secretary

Notes to the Financial Statements for the year ended 31st March, 2012

A. Basis of Preparation of Financial Statement :

- a) The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant provision of the Companies Act, 1956 and in accordance with the generally accepted accounting principles in India.
- b) The financial statements are based on historical cost and are prepared on accrual basis

B. Revenue Recognition :

- a) Sale of goods is recognized when they are invoiced to customers and are net of excise duty, Commercial Tax (UP VAT).
- b) Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

C. Fixed Assets :

- a) Fixed Assets are stated at their original cost of acquisition/installation less accumulated depreciation and net off subsidies duties and taxes. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.

- b) Capital work in progress :

All expenses incurred for acquiring, erecting and commissioning of the fixed assets including interest on loan utilized for meeting capital expenditure are shown under capital work in progress. The advance given for acquiring fixed assets is also shown along with capital work in progress.

D. Depreciation :

Depreciation on fixed assets has been provided on straight line method (SLM) except in case of assets of Power Plant on which depreciation has been provided on Written Down Value method (WDV) at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956 of India.

Intangible Assets are stated at cost of acquisition less accumulated amortization.

Amortization is provided on the Straight Line Method @ 16.21%

E. Preliminary Expenses :

Preliminary expenses are amortized over a period of 5 years

F. Investments :

- a) Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- b) Current Investments are stated at lower of cost and fair value.

G. Impairment :

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

H. Earning per share :

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

Notes to the Financial Statements *(Contd.)*

I. Borrowing Cost :

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

J. Valuation of Inventories :

- a) Raw materials, Stores & Spares and packing material are valued at cost. Costs of Inventories are ascertained on FIFO basis.
- b) Work-in-progress is valued at cost which includes cost of inputs and other overheads up to the stage of completion.
- c) Finished Goods are valued at lower of cost and net realizable value.

K. Excise Duty, Commercial Tax (UP VAT) & Custom Duty :

- a) The CENVAT credit available on purchase of raw materials and other eligible inputs is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "Loans and Advances".
- b) The company is eligible for interest free loan from State Government of Uttar Pradesh of the equivalent amount of the VAT liability paid for 15 years which shall be repayable after 15 years.

L. Taxation :

- a) Provision for current income tax is determined on the basis of the amount of tax payable on taxable Income for the year.
- b) In accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax liabilities and assets are recognized at substantively enacted tax rate, subject to the consideration of prudence, on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. At each balance sheet date the Company re-assesses unrecognized deferred tax assets.

M. Foreign Currency Transaction :

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency transaction is translated at the year end rates. Exchange differences arising on settlement / conversion of monetary items are recognized as income or expense in the year in which they arise except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

N. Employee Benefits :

The company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the Statement of Profit & Loss. Provision for gratuity is made on the basis of actuarial valuation at the year end in conformity with the Accounting Standard -15.

O. Prior Period Items :

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

P. Contingent Liabilities :

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

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31st March, 2012	As at 31st March, 2011
2 SHARE CAPITAL		
Authorised Share Capital		
30000000 (Previous Year : 28000000) Equity Shares of Rs. 10/- each	300,000,000	280,000,000
Issued, Subscribed & Paid up		
26766505 Equity Shares of Rs. 10/- each fully paid up	267,665,050	267,665,050
	267,665,050	267,665,050

2.1 Of the above 8100208 Equity share (Net) (P.Year 8100208 Equity Share) were issued as fully paidup under Initial Public Offer.

2.2 Details of shareholders holding more than 5% shares

Name of the shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	% holding	No. of shares	% holding
Gallantt Metal Limited	5,501,992	20.56	5,501,992	20.56
Gallantt Udyog Limited	8,545,592	31.93	8,545,592	31.93
Chandra Prakash Agarwal	3,112,000	11.63	3,112,000	11.63

	As at 31.03.12	As at 31.03.11
2.3 The Reconciliation of the shares outstanding is set out below :		
Equity Shares at the beginning of the year (No.)	26,766,505	26,766,505
Equity Shares at the end of the year (No.)	26,766,505	26,766,505

2.4 Disclosure regarding the Shares Issued for consideration other than cash for last five years

The Company, during the past years, undertook various Schemes including Merger of General Investment Division of Gallantt Udyog Limited and Merger of Other Seven Companies with the Company. Further, the Company has concluded Bonus Issue of Equity Shares. Accordingly, pursuant to the Schemes of Amalgamation and Arrangement ("the Schemes") under Sections 391 to 394 of the Companies Act, 1956 approved by the Hon'ble Calcutta High Court, the Company, during the respective years, recorded all necessary accounting effects, along with requisite disclosure in the notes to accounts, the cumulative effects of the Schemes in case of Equity Share Capital of the Company due to allotment of equity shares as fully paid up without payment being received in cash have been disclosed herein below.

Particulars	No. of Shares	Date of Order of H'ble Calcutta High Court
(a) Allotment of Bonus Shares	22,23,665	N.A.
(b) Pursuant to Demerger of General Investment Division of Gallantt Udyog Limited into the Company	1,63,49,632	June 18, 2008
(c) Pursuant to the Scheme of Amalgamation and Arrangement	4,50,000	March 12, 2009
Total	1,90,23,297	

2.5 During the year the Company has allotted 2500000, 0% Fully Convertible Debentures of Rs. 10 each at a premium of Rs. 150.00 each convertible in to Equity shares within a period of 18 months from the date of allotment in the ratio of 1:1.

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31.03.12	As at 31.03.11
3 RESERVE & SURPLUS		
Securities premium account		
Balance as per beginning at the year	791,641,844	467,633,524
Add. : On issue of share	–	324,008,320
Add. : On issue of Debenture	375,000,000	–
Balance as per end at the year	1,166,641,844	791,641,844
Amalgamation Reserve		
Balance as per beginning at the year	892,069	892,068
Balance as per end at the year	892,069	892,068
General Reserve		
Balance as per beginning at the year	360,650,680	360,650,680
Balance as per end at the year	360,650,680	360,650,680
Surplus in the statement of Profit and Loss		
Balance as per beginning at the year	-30,212,583	-46,217,578
Add : Profit for the year	58,893,218	31,611,048
Less :		
Interim dividend	–	–
Proposed dividend	13,383,253	13,383,253
Dividend Tax	2,171,100	2,222,800
Balance as per end at the year	13,126,282	-30,212,583
Total	1,541,310,874	1,122,972,009

	As at 31.03.12		As at 31.03.11	
	Non-current	Current	Non-current	Current
4 LONG-TERM BORROWINGS				
Secured				
Term Loans- From Banks	843,850,000	276,800,000	738,200,000	206,800,000
(Term loan secured by First pari pasu charge over all the borrower's fixed assets present & future, Second pari pasu charge over all the borrower's current assets including Debtors and stock etc and corporate & personal Guarantee of Sri C.P. Agarwal and Sri Nitin M. Kandoi.)				
Total	843,850,000	276,800,000	738,200,000	206,800,000
Unsecured				
Term Loans- From Banks	–	–	–	–
Deferred payment liabilities	–	–	–	–
Total	843,850,000	276,800,000	738,200,000	206,800,000

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

- a) Term loan include Corporate Loan of Rs 24.68 Crores
- b) Current Portion of Loan have been grouped under "current maturity of long term debt" (refer note 10)
- c) Term of repayment for secured borrowing
- i) Term Loan from State Bank of India amounting to Rs. 70 Crores sanctioned on 20.06.2008 repayable in Twenty Four quarterly installments of Rs 2.92 crores each commencing from F.Y.2011 out of which Seven installments amounting to Rs 20.44 crores has been paid upto 31.03.2012 & Installment of March Quarter 2012 of Rs 2.92 crores has been paid on 09.04.2012.
 - ii) Term Loan from State Bank Patiala amounting to Rs. 30 Crores sanctioned on 23.09.2008 repayable in Twenty Four quarterly installments of Rs. 1.25 crores each commencing from F.Y.2011 out of which Seven installments amounting to Rs. 8.75 crores has been paid upto 31.03.2012 & Installment of March Quarter 2012 of Rs. 1.25 crores has been paid on 25.04.2012.
 - iii) Term Loan from State Bank Mysore amounting to Rs. 24 Crores sanctioned on 11.10.2008 repayable in Twenty Four quarterly installments of Rs. 1.00 Crore each commencing from F.Y. 2011 out of which Seven installments amounting to Rs. 7.00 Crores has been paid upto 31.03.2012 & Installment of March Quarter 2012 of Rs 1.00 Crore has been paid on 25.04.2012.
 - iv) Corp Loan from State Bank of India amounting to Rs. 18 Crores sanctioned on 01.12.2011 repayable in Twelve quarterly installments. First five of Rs. 85 lakh and remaining Seven of Rs. 1.96 Crores each commencing from 01.01.2012 out of which one installment amounting to Rs. 85 lakh has been paid on 30.01.2012
 - v) Corp Loan from State Bank of Patiala amounting to Rs. 8.00 Crores sanctioned on 01.12.2011 repayable in Twelve quarterly installments. First Five installment of Rs. 37.50 lakh and remaining Seven installment of Rs. 87.50 lakh each commencing from 01.01.2012 out of which one installment amounting to Rs 37.50 lakh.

	As at 31.03.12	As at 31.03.11
5 DEFERRED TAX LIABILITY		
Opening Balance	99,880,897	48,993,000
On account of Timing difference in Depreciation	35,680,268	50,887,897
Total	135,561,165	99,880,897
6 OTHER LONG TERM BORROWINGS	Nil	Nil
7 LONG TERM PROVISIONS	Nil	Nil

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31.03.12	As at 31.03.11
8 SHORT-TERM BORROWINGS		
Secured		
Cash Credit From Bank	441,931,276	263,729,808
8.1 (Cash credit secured by Hypothecation of entire current assets of the company (present & future) consisting of raw material SIP, Finished goods, store & spares and book debts, Extension of first pari pasu charge over all the borrower's fixed assets present & future) and corporate & personal Guarantee of the Sri C.P. Agarwal and Sri Nitin M. Kandoi.)		
Total	441,931,276	263,729,808
Unsecured		
Unsecured Loan From others	–	174,181,719
0% Fully Convertible Debentures	25,000,000	–
(During the year the company has allotted 2500000, 0% Fully Convertible Debentures of Rs.10 each at a premium of Rs. 150.00 each.) Debentures so allotted shall be converted into Equity Shares within a period of eighteen months from the date of allotment in the ratio of 1:1 on maturity of debenture.		
Total	466,931,276	437,911,527

9 TRADE PAYABLES		
Micro, Small and Medium Enterprises	–	–
Others	87,754,501	70,547,176
Total	87,754,501	70,547,176

- 9.1 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.

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31.03.12	As at 31.03.11
10 OTHER CURRENT LIABILITIES		
Current maturities of long term debt (Note No. 4)	276,800,000	206,800,000
Interest accrued but due on borrowings	16,796,285	59,863,624
Unpaid dividends	9,930	–
Current Account overdrawn		
SBI	40,996,698	42,254,628
(Excess Cheque issued Rs. 43218532.00 (P.Year 42254628.00)		
HDFC	4,848,437	431,571
(Excess Cheque issued Rs. 16444699.00 (P.Year 431571.00)		
Other Payables	102,822,388	5,034,047
Advance From Customer	180,891,347	61,831,814
Total	623,165,085	376,215,684
Advance from coustomer includes Rs 1775.00 Lakhs from 6 parties with whom neither any sales nor any written agreements for sale has been made.		
11 SHORT TERM PROVISIONS		
Provisions for employee benefits	–	–
Proposed Dividend	13,383,253	13,383,253
Tax on Dividend	2,171,100	2,222,800
Provision for Income Tax (Net of Advance)	–	–
Other Provisions	–	–
Total	15,554,353	15,606,053

Notes to the Financial Statements (Contd.)

12 TANGIBLE FIXED ASSETS (Amount in Rs.)									
Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2011	Additions during the year	Adjustment	Total	Sales/Adj during the year	During the year	As on 01.04.2011	Total as on 31.03.2012	WDV as at 31.03.2011
Land	185,338,260	-	1,270,749	186,608,011	-	-	-	-	154,043,955
Computer	3,256,747	548,477	-	3,805,224	-	494,468	834,315	1,230,563	2,071,152
Motor Car	14,617,499	-	-	14,617,499	-	1,199,636	3,093,488	4,292,608	8,335,135
Two Wheeler	302,302	-	-	302,302	-	55,851	83,641	107,041	162,809
Vehicle Commercial	9,377,243	-	-	9,377,243	-	1,732,461	3,427,431	4,291,521	3,353,262
Office Equipment	2,345,679	532,246	-	2,877,925	-	105,266	154,860	260,088	2,288,676
Furniture & Fixture	1,557,818	447,651	-	2,005,469	-	99,927	91,436	191,347	1,719,793
Electrical Installation	73,757,048	-	-	73,757,048	-	16,045,108	8,254,660	4,080,234	45,379,678
Factory Building (Common)	25,554,805	-	-	25,554,805	-	4,721,291	1,409,063	695,839	18,729,943
Misc Assets	39,166,697	59,007	-	39,225,704	-	6,861,869	1,981,649	3,516,303	28,877,532
Non Factory Building	66,070,646	11,041,266	-	77,111,912	-	11,565,528	1,708,121	2,716,506	62,829,478
Factory Building (Flour Mill)	84,048,988	7,705,496	-	91,754,484	-	14,067,824	4,921,163	7,429,529	70,571,131
Plant & Machinery (Flour Mill)	122,179,280	1,003,741	-	123,183,021	-	20,260,004	9,688,675	20,302,040	82,620,977
Plant & Machinery (Rolling Mill)	261,546,889	144,307	-	261,691,196	-	61,934,066	17,055,255	37,833,943	182,419,568
Plant & Machinery (SMS)	277,705,080	1,153,187	-	278,858,267	-	77,875,987	19,207,940	39,920,211	161,065,069
Plant & Machinery (Sponge Iron)	576,600,763	1,779,803	-	578,380,566	-	9,618,685	12,425,064	43,796,131	524,965,750
Factory Building (Rolling Mill)	128,334,039	23,375,954	-	151,709,993	-	17,879,392	5,775,035	9,985,226	123,345,374
Factory Building (SMS)	146,335,328	-	-	146,335,328	-	26,421,074	7,981,800	11,935,126	107,997,128
Factory Building (Sponge Iron)	145,853,067	29,602,678	-	175,455,745	-	2,028,677	5,333,347	7,562,024	167,893,741
Office Building	-	24,488,149	-	24,488,149	-	-	-	22,347	24,465,802
Railway Siding	-	90,091,427	-	90,091,427	-	-	-	2,116,287	87,975,140
Total i)	2,163,971,198	191,973,388	1,270,249	2,356,214,835	-	301,906,352	100,212,274	212,043,572	1,840,724,413

POWER PLANT

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2011	Additions during the year	Adjustment	Total	Sales/Adj during the year	During the year	As on 01.04.2011	Total as on 31.03.2012	WDV as at 31.03.2011
Building (Power Plant)	-	173,934,403	-	173,934,403	-	3,803,604	-	3,803,604	170,130,799
Plant & Machinery (Power Plant)	-	748,617,919	-	748,617,919	-	22,994,019	-	22,994,019	659,333,377
Total ii)	-	922,552,322	-	922,552,322	-	26,797,623	-	26,797,623	829,464,176
TOTAL (i+ii)	2,163,971,198	1,114,525,710	1,270,249	3,277,726,659	-	137,275,287	100,212,274	238,841,955	1,761,864,029

13 TANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	Balance as on 01.04.2011	Additions during the year	Adjustment	Total	Sales/Adj during the year	During the year	As on 01.04.2011	Total as on 31.03.2012	WDV as at 31.03.2011
Computer Software	829,175	-	-	829,175	-	113,077	94,889	212,966	515,454
Total	829,175	-	-	829,175	-	113,077	94,889	212,966	515,454

** 1) In the year 2009-10 credit of govt Subsidy received from PICUP on 31.03.2010, but while calculating depreciation for the year 2009-10 credit of this in fixed assets was not considered resulting charging of excess depreciation amounting Rs 32,742

2) In the year 2010-11 depreciation on plant & Machinery (Sponge Iron) a Continuous Process Plant was charged wrongly @4.75% instead of 5.28% resulting in short charging of depreciation of Rs 1386376

3) Power Plant Unit of the Company commenced its operation w.e.f 31.07.2011

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31.03.12	As at 31.03.11
14 NON CURRENT INVESTMENTS		
Trade Investments	Nil	Nil
Other Investments		
Gallantt Metal Limited (At cost)- Quoted		
1982589 Equity share (P. Year 1982589 Equity share) of Rs. 10/- each (Market value Rs 35884861) (Previous year market value Rs 36083120)	4,045,178	4,045,178
Gorakhpur Taxpark Pvt. Ltd (Un Quoted)		
110000 Equity share (P. Year 110000 Equity share) of Rs. 10/- each	1,100,000	1,100,000
Total	5,145,178	5,145,178
15 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	4,585,194	95,613,653
Security deposits	108,100	184,100
Other loans and advances	–	–
Total	4,693,294	95,797,753
16 OTHER NON CURRENT ASSETS		
Total	–	–
17 CURRENT INVESTMENTS		
Total	–	–
18 INVENTORIES		
At lower of cost and net realisable value		
Raw materials	247,048,499	123,390,712
(including goods in transit Rs. 46083886 in C.Y. & P.Y. Nil)		
Work-in-progress	–	–
Finished goods	193,716,930	72,817,566
Consumables stores and spares	11,202,108	12,350,480
Total	451,967,537	208,558,758
19 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	3,586,009	–
Unsecured, considered good	–	894,624
Doubtful	–	–
Less : Provision for doubtful trade receivable	–	–
Sub-Total	3,586,009	894,624
Other Trade receivable	160,786,535	–
Unsecured, considered good	–	134,341,194
Total	164,372,544	135,235,818

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	As at 31.03.12	As at 31.03.11
20 CASH AND CASH EQUIVALENTS		
Balance with Banks	598,559	10,732,684
Cash on hand	9,609,348	17,911,394
Cheques, draft on hand	–	–
Fixed deposits with Banks	4,926,607	2,015,607
Total	15,134,514	30,659,685

20.1 Balance with bank includes unclaimed dividend of Rs 9930

20.2 Fixed Deposit with bank include deposit of Rs. 1720986 (previous year Rs. 2015607) with maturity of more than 12 months.

21 SHORT TERM LOANS AND ADVANCES		
Unsecured, considered good	–	–
Loans and advances to related parties	–	–
Loans and advances to employees	323,297	166,000
Prepaid expenses	2,345,337	–
Interest accrued on fixed deposit	212,300	–
Advance Tax and TDS (Net of Provision)	3,185,293	1,850,835
Balance with government authorities		
CENVAT credit receivable	16,485,326	46,478,676
VAT credit receivable	6,665,135	16,334,850
Service Tax credit receivable	311,443	11,132,008
Others		
Advance to suppliers		
Others	434,553,698	153,691,347
Total	464,081,829	229,653,716

21.1 Other Advances includes advances to sundry creditors, subsidy receivable from PICUP of Rs. 261,347,861 and Abhijeet New India Cement Pvt Ltd. of Rs 130,000,000 being receivable on account of sale of land rights.

22 OTHER CURRENT ASSETS		
Deferred Tax Assets	35,864,586	16,691,557
Preliminary Expenses to the extent not written off	609,574	794,361
Public Issue Expenses	7,503,183	10,004,245
Total	43,977,343	27,490,163

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

	2011-12	2010-11
23 REVENUE FROM OPERATIONS		
Sales of Products	2,857,228,032	2,395,006,942
Less: Excise Duty	177,617,351	122,238,182
Total	2,679,610,681	2,272,768,760

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	2011-12	2010-11
23.1 PARTICULARS OF SALE OF PRODUCTS NET OF EXCISE DUTY		
Maida	593,511,892	696,129,301
Suji	187,670,309	182,030,850
Atta	27,011,074	29,946,236
Bran	180,213,836	191,576,141
Sponge Iron	25,055,553	61,138,849
Billets	79,336,029	24,133,156
M.S. Bar	1,586,420,130	1,210,783,080
Misrolled Bar	11,798,859	12,961,564
Others	1,253,187	–
Total	2,692,270,869	2,408,699,177
Less : Cash Discount	11,218,752	10,177,062
Claims on sales	1,441,436	3,515,173
Total	2,679,610,681	2,395,006,942

	2011-12	2010-11
24 OTHER INCOMES		
Commission on procurement of Material	49,718,000	–
Profit on Sale of Rights of Land	129,580,000	173,410,640
Interest on FDR.	235,891	–
Guarantee Charges on Sales	321,021	278,338
Profit on Sale of Investments	–	32,256,824
Rounding off	19,435	22,667
Total	179,874,347	205,968,469

24.1 Profit on sale of long term investment had been arrived on sale of quoted shares in F.Y. 2010-11

24.2 Commission Received from Jindal Steel & Power Limited of Rs. 49,718,000 for procurement of Material for them. And Rs. 129,580,000 from Abhijeet New India Cement Pvt Ltd, on account of profit of sale of rights on land.

25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE		
Inventories at the beginning of the year		
Finished Goods	72,817,566	76,843,303
Total	72,817,566	76,843,303
Inventories at the end of the year		
Finished Goods	193,716,930	72,817,566
Total	193,716,930	72,817,566
Net Decrease/(Increase)	(120,899,364)	4,025,737

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	2011-12	2010-11
26 COST OF MATERIALS CONSUMED		
Opening Stock	123,414,066	18,201,229
Purchases	2,246,742,040	1,955,307,565
Expenses on Raw Material	3,810,048	3,188,976
Freight on (sponge)	2,652,561	19,273,071
Freight on Coal	98,454,862	47,171,350
Freight on Sponge	3,539,105	–
Freight on Scrape	137,074	258,992
Freight on Wheat	15,227,273	12,276,087
Freight on Iron Ore	–	442,277
Total	2,493,977,029	2,056,119,547
Closing Stock	247,048,499	123,414,066
Materials Consumed	2,246,928,530	1,932,705,481

26.1 PARTICULARS OF MATERIAL CONSUMED		
Wheat	808,983,583	883,077,492
Iron Ore	591,047,938	156,309,367
Pellets	261,094,829	227,797,617
Coal	350,184,430	141,103,019
Dolomite	5,236,378	2,750,959
Refractories	17,639,754	11,037,447
Sponge	84,313,108	340,061,908
Scrape	28,388,173	62,088,437
Others	100,040,338	108,479,234
Total	2,246,928,530	1,932,705,481

	2011-12		2010-11	
	Rs. in lakh	% Total	Rs. in lakh	% Total
26.2 COST OF MATERIALS CONSUMED				
Imported	759.45	3.38%	Nil	0%
Indigenous	21709.83	96.62%	19327.05	100%

(Amount in Rs.)

	Opening Stock	Purchases	Expenses	Closing Stock	Consumption
26.3 PARTICULARS OF MATERIALS CONSUMED					
Wheat	3,325,416	787,449,950	19,037,321	829,104	808,983,583
Iron Ore	37,438,362	633,066,406	–	79,456,829	591,047,938
Pellets	10,018,300	251,076,529	–	–	261,094,829
Coal	60,205,680	332,478,804	98,454,862	140,954,916	350,184,430
Dolomite	368,966	5,836,412	–	969,000	5,236,378
Refractories	2,500,000	18,791,248	–	3,651,494	17,639,754
Sponge	–	78,121,442	6,191,666	–	84,313,108
Scrap	5,458,410	36,451,189	137,074	13,658,500	28,388,173
Others	4,098,932	103,470,061	–	7,528,655	100,040,338
Total	123,414,066	2,246,742,040	123,820,923	247,048,499	2,246,928,530

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

	2011-12	2010-11
27 EMPLOYEE BENEFITS EXPENSE		
Salary	14,141,306	9,916,147
Bonus	1,114,913	989,721
Gratuity Exp	1,080,084	556,715
Staff Welfare	55,388	164,813
E.S.I. Contribution	475,515	323,914
P.F. Contribution	539,260	470,626
P.F. Administration Charges	72,333	63,130
Total	17,478,799	12,485,066

27.1 As per Accounting Standard 15 "Employee Benefits" the disclosures as defined in the A.S. are given below :

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as expense for the year is as under :

Employer' contribution to Provident Fund Rs. 611,593

Employer' contribution to ESIC Rs. 475,515

Defined Benefit Plans

The Employee' gratuity fund scheme managed by a Life Insurance Corporation of india is a defined benefit Plan.

Disclosures pursuant to Accounting Standard-15 Employment Benefit		
Particulars		Amount
(a) Component of Employer Expenses		
(i) Current Service Cost		638,006
(ii) Interest Cost		47,321
(iii) Expected return on Assets		-52,713
(iv) Actuarial (Gain) / Losses		244,553
(v) Total Expenses		877,167
(b) Net Assets (Liability) recognized in Balance Sheet		
(i) Present Value of defined benefit obligation		1,534,344
(ii) Fair Value of Plant Assets		2,221,068
(iii) Fund Status (Surplus/ Deficit)		686,724
(iv) Net Assets / (Liability)		6,866,724
(c) Change in obligation during the year		
(i) Present value of defined benefit obligation at the beginning of the year		556,715
(ii) Current Service Cost		638,006
(iii) Interest Cost		47,321
(iv) Actuarial (Gain) / Losses		292,302
(v) Benefit Payment		—
(vi) Present value of defined Benefit obligation at the end of the year		1,534,344

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

Particulars	Amount
(d) Change in Assets	
(i) Plan Assets at the beginning of the year	585,695
(ii) Expected return on Plan Assets	52,713
(iii) Actuarial Gain/ (Loss)	47,749
(iv) Plan Assets the end of the year	2,221,068
(e) Actuarial Assumption	
(i) Discount Rate	8.50%
(ii) Expected return on Assets	9.00%
(iii) Salary Increase	9.00%
(iv) Mortality	LICI 1994-1996

	2011-12	2010-11
28 FINANCIAL COST		
Interest Expenses	170,792,083	61,542,507
Other Borrowing Costs	2,507,396	959,135
Total	173,299,479	62,501,642

28.1 As per AS 12 Borrowing Cost of Rs 37162000.00 has been capitalised during the year.

29 DEPRECIATION AND AMORTIZATION EXP		
Depreciation on Tangible Assets	137,275,287	55,286,880
Amortization on Intangible Assets	118,077	68,326
Total	137,393,364	55,355,206

30 OTHER EXPENSE		
MANUFACTURING EXPENSES :		
Consumption of stores and spare parts	23,695,137	15,913,313
Repair to Plant & Machinery	12,016,150	5,746,213
Repair to others	464,129	197,978
Handling Expenses	7,690,478	7,384,314
Power & Fuel	231,848,323	271,491,856
Packing Material Consumed	12,281,292	9,564,606

Notes to the Financial Statements (Contd.)

(Amount in Rs.)

30 OTHER EXPENSE (Contd.)		
SELLING & ADMINISTRATIVE EXPENSES		
Selling & Distribution Exp.	6,232,463	6,563,381
Audit Fee	285,789	182,400
Certification Charges	304,100	86,268
Insurance Exp.	2,746,295	1,947,035
Rent	4,752	–
Legal Exp.	556,579	169,415
Misc. Exp.	688,201	499,065
Office Exp.	237,743	36,979
Postage Exp.	165,624	108,466
Power & Fuel	325,986	196,092
Printing & Stationary	313,097	219,948
Rate & Taxes	589,310	328,157
Telephone Exp.	1,013,882	1,114,868
Traveling & conveyance Exp.	3,411,027	3,254,549
Director Remuneration	1,800,000	1,394,400
Total	306,670,357	326,399,303

	2011-12		2010-11	
	Rs. in lakh	% Total	Rs. in lakh	% Total
30.1 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED				
Imported	10.65	7.98	Nil	Nil
Indigenous	122.81	92.02	95.66	100%
	133.46	100.00	95.66	100%

	2011-12	2010-11
	Rs. in lakh	Rs. in lakh
30.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
Raw Material	759.45	–
Stores, Chemical and packing Material	10.65	–
Capital Goods	–	69.49

31 PRIOR PERIOD EXPENSES

- In the year 2009-10 credit of Govt Subsidy received from PICUP. on 31.03.2010, but while calculating depreciation for the year 2009-10 credit of this in fixed assets was not considered resulting charging of excess depreciation amounting Rs. 32742

Notes to the Financial Statements (Contd.)

- ii. In the year 2010-11 depreciation on plant & Machinery (Sponge Iron) a Continuous Process Plant was charged wrongly @4.75% instead of 5.28% resulting in short charging of depreciation of Rs 1386376
- iii. Excess Provision of Rs 66935 made on account of Excise Duty & Rs 32171 on account of excess NSDL Fees made during 2010-11 has been reversed.

(Amount in Rs.)

	2011-12	2010-11
32 EARNING PER SHARE		
(i) Net Profit After Tax as per statement of Profit & Loss attributable to Equity Shareholder	58,893,218	31,611,048
(ii) Number of equity share used as denominator for calculating Basic EPS	26,766,505	22,616,535
(iii) Weighted Average number of equity share used as denominator for calculating Diluted EPS	27,599,838	22,616,535
(iv) Basic Earning per Share	2.20	1.40
(v) Diluted Earning per Share	2.13	1.40
(vi) Face Value Per Share	10.00	10.00

(Rs. in Lacs)

	2011-12	2010-11
33 CONTINGENT LIABILITIES		
a) Contingent liabilities not provided for in respect of :		
Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity Load Sanction.	292.07	150.00
Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00	12.00

- b) Estimated amount of contracts remaining to be executed on capital account is Rs. 177.14 lacs.

34 MANAGERIAL REMUNERATION PAID/PAYABLE TO DIRECTOR		
Managing Director		
Remuneration	6.00	6.00
Whole Time Director/ Director		
Remuneration	12.00	12.00

During the year the company has paid Rs. 34,000.00 against sitting fee to the directors.

The Company has not given any perquisite to its directors during the year.

Notes to the Financial Statements (Contd.)

(Rs. in Lacs)

	2011-12	2010-11
35 PAYMENT TO AUDITORS		
(a) Statutory Auditors :		
i) Audit Fees	1.75	1.00
ii) For certification works	0.09	0.86
iii) Professional fee for review reports.	0.45	0.22
iv) For Tax & Vat Audit	0.25	0.25
v) For Public Issue Certifications	—	2.21
vi) Cost Audit	0.20	—
vii) Internal Audit	0.11	—
Total	2.85	4.54

36 SEGMENT REPORT

(A) Primary Segment (By Business Segment) :

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

(Rs. in lacs)

SEGMENT WISE REPORTING		
Particulars	2011-12	2010-11
1 Segment Revenue		
(A) Agro	9757.46	10866.25
(B) Steel	17038.64	11864.22
(C) Power	1213.62	—
(D) Unallocated Income	1798.74	2056.9
Total Segment Revenue	29808.46	24787.37
Less : Inter Segment Revenue-Power	1213.62	—
Net Sales/Income from Operation	28594.84	24787.37
2 Segment Result		
(A) Agro	852.28	1393.07
(B) Steel	-447.97	-1783.11
(C) Power	590.23	—
Total Segment Result	994.54	-390.04
Add : Unallocated Income	1798.74	2056.9
Less : Interest	1732.99	625.01
Less : Other Unallocable Expenses (Net)	114.56	216.86
Total Profit before Tax	945.73	824.99

Notes to the Financial Statements (Contd.)

(Rs. in lacs)		
Particulars	2011-12	2010-11
3 Segment assets		
(A) Agro	2152.35	1875.70
(B) Steel	24962.23	15347.14
(C) Power	11596.64	–
(D) Unallocated	1106.70	3907.36
	39817.92	21130.2
Segment Liability		
(A) Agro	367.16	44.88
(B) Steel	17927.41	7178.95
(C) Power	3514.71	–
(D) Unallocated	–	–
	21809.28	7223.83
4 Capital Employed		
(A) Agro	1785.19	1830.82
(B) Steel	7034.82	8168.19
(C) Power	8081.93	–
(D) Unallocated	1106.70	3907.36
Total Capital Employed	18008.64	13906.37

(B) Secondary Segment (By Geographical Segment) :

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

37 Impairment of Assets :

Pursuant to Accounting Standard (AS 28)-Impairment of Assets issued by Institute of Chartered Accountant of India, the Company assessed its fixed assets for impairment as at March 31, 2012 and concluded that there has been no significant impaired fixed asset that needs to be recognized in the books of accounts.

38 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.

39 Sundry Creditors include Rs. Nil (Previous Year Rs. Nil) due to Small Scale industrial undertaking to the extent such parties have been identified from the available documents / information.

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

41 "As per Government Order of State Government of Uttar Pradesh the company is eligible for interest free loan of equivalent amount of VAT liability paid for 15 years and which shall be re-payable after 15 years. The company has claimed Rs. 2833.36 lacs up to 31st March 2012 (upto previous year Rs. 1517.55 Lacs) on account of Interest Free Loan to State Government of Uttar Pradesh. Out of total claim of Rs. 2833.36 lacs, Rs. 953.96 lacs has not been deposited to Commercial Tax department in accordance with an order of Honorable High Court of Allahabad in writ petition no. 8886/2011, 12710/2011 and 2067/2012. State Government has vide order no E-6-534/10-2011dated 18/11/2011has refused to consider pending applications under the schemes and company has obtained stay against payment of taxes from Honorable High Court Allahabad, Lucknow Bench, accordingly company has not deposited VAT amounting to Rs. 953.36 Lacs which has

Notes to the Financial Statements (Contd.)

been shown as Current Liability in the books of accounts as on 31.03.2012 further company have to receive Rs. 1879.40 lacs from State Government on account of Interest Free Loan and this has not been provided in books."

- 42.1 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2007 and amended from time to time the company is eligible for incentives i.e. Capital investment subsidy @ 20% of fixed capital investment, infrastructure subsidy @ 10% of total fixed capital investment and 5% additional capital subsidy being the first unit in Purvanchal region. Company has claimed for Rs. 11621.57 lacs against the capital investment made upto 31st July 2011. The incentive received of Rs. 2428 lacs has been credited in fixed assets in the ratio of capital investment made. No provision has been made for the unrealized claim of Rs. 9193.57 lacs in the books.
- 42.2 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2007 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. During the year company has provided an amount of Rs. 1753.89 lacs (Previous year Rs. 859.59 lacs), which has been adjusted with freight paid on Iron Ore in Statement of Profit Loss and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2012 was Rs. 2613.48 lacs. State Govt. Vide G.O. no. 1674/77-6-11-10/(Tax) 04 T.C.-12 dated November 18, 2011, has refused to consider pending applications under the schemes stated hereinabove. Being the unconstitutional decision and injustice on the part of the State Government of Uttar Pradesh, and for getting equal protection of law of land, our Company has preferred a Writ petition bearing no.12710/2011 / Misc. Bench dated 17.12.2011 at Honorable High Court of Allahabad, Lucknow Bench, Uttar Pradesh, and the Honorable High Court has restrained the Govt. from realisation of the taxes and the case is pending for final order. The total operational profit includes Rs.1753.89 Lacs (Previous year Rs. 859.59 lacs) of freight subsidy which is receivable and subject to the decision of Honorable High Court.
- 43 Adjustment of subsidies etc under the heading 'Fixed Assets' as on March 31, 2012 includes Rs. 2428.00 lacs received from State Government of Uttar Pradesh and Rs. 1251.97 lacs on account of duties and taxes.
- 44 During the year the company has transferred Rs. 6.23 lacs from administrative expenses to pre-operative expenses pending capitalisation.
- 45 Expenses under head office building to the tune of Rs 186.143 lacs has been incurred on account of construction of office building at Purdilpur, Bank Road Gorakhpur, U.P. The said building is constructed on a piece of land admeasuring 16000 sq. feet jointly owned by Gallantt Ispat Ltd. (25% share) and Chandra Prakash Agarwal & Sons HUF (75% Share). On the basis of Agreement between both the parties, Commercial Building comprising of Ten Floors (inclusive of ground and basement floors for common use) has been constructed and as per the Agreement between the parties Seventh and Eight Floors area is being possessed, owned and used by Gallantt Ispat Ltd.
- 46 Related Party Disclosure as per AS 18 (As identified by the Management) :

Name of Related Party and Description of Relationship.

I. Associate Company & Firm	Gallantt Udyog Ltd
	Gallantt Metal Ltd
	Chandra Prakash Agarwal & Sons (HUF)
	Gallantt Landmark (Proprietors C.P.Agarwal & Sons HUF)
	Prem Prakash Agarwal HUF
II. Key Managerial Personnel	Mr.Chandra Prakash Agarwal
	Mr.Prem Prakash Agarwal
	Mr.Nitin M Kandoi
III. Relatives of Key Managerial Personnel	Mr.Mayank Agrawal
	Mr. Ashutosh Agrawal

Notes to the Financial Statements *(Contd.)*

Related Party Transaction & Balance :

(Rs. In Lacs)

Nature of Transaction	Associates	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total	Closing Balance
Salary	—	18.00	10.80	28.80	—
	—	(18.00)	(10.80)	(28.80)	—
Debenture issued	2720.00	—	—	2720.00	—
	—	—	—	—	—
Interest	106.77	—	—	106.77	—
	(338.32)	—	—	(338.32)	—
Loan Taken	3385.32	—	—	3385.32	—
	(13797.70)	—	—	(13797.70)	(1591.82)
Loan Repaid	5073.24	—	—	5073.24	—
	(15979.28)	—	—	(15979.28)	—
Payment of Proportionate Expenses for construction of office building	185.00	—	—	185.00	—
	—	—	—	—	—
Purchase	6.17	—	—	6.17	—
	(17.32)	—	—	(17.32)	—
Sale	1.55	—	—	1.55	—
	(184.95)	—	—	(184.95)	—
Reimbursement of Exp	1.74	—	—	1.74	—
	—	—	—	—	—
Expenses Incurred	1.19	—	—	1.19	—
	—	—	—	—	—
Advances	—	—	—	—	—
	(150)	—	—	(150)	(150)
Equity Share allotment	—	—	—	—	—
	(700)	—	—	(700)	—

The Amount Shown in Bracket () Denotes Previous year figure

For **Anoop Agarwal & Co.**

Chartered Accountants

(Registration No. 01739C)

H. C. Pant

Partner

Membership No. : 17694

Kolkata, 13th August, 2012

C. P. Agarwal

Chairman & Managing Director

P. P. Agarwal

Whole time Director

Nitin M Kandoi

Whole time Director

Nitesh Kumar

Company Secretary

Gallantt Ispat Limited

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

Form of Proxy

I/We
of
..... being Member/Member(s) in the above named Company,
hereby appoint
of
or failing him of
..... as my/our proxy to attend and vote for me/us on my/our behalf
at the 8th Annual General Meeting of the Company to be held on **Tuesday, 25th September, 2012 at 11.30 A.M.** at Rabindra Okakura Bhavan,
DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 and any adjournment thereof.
Signed this day of 2012

Folio No.....

DP ID No.....

Client ID No.....

No. of Shares.....

Affix
Revenue
Stamp

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

Gallantt Ispat Limited

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

Attendance Slip

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

Shares Held

Folio No.....

DP ID No.

Client ID No.

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

I hereby record my presence at the 8th Annual General Meeting of the Company held at Rabindra Okakura Bhavan, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 on Tuesday, 25th September, 2012 at 11.30 A.M.

Member's/Proxy's Signature

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

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

Book-Post

If undelivered, please return to :

GALLANTT ISPAT LIMITED

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