



**GALLANTT ISPAT LIMITED**

Annual Report 2016-17



## CHAIRMAN & MANAGING DIRECTOR'S LETTER

### *My dear Shareowners*

It gives me an immense pleasure to share with you the Annual Report of your Company for the Financial Year 2016-17. Although the global outlook appears to pick up slowly, the domestic economic indicators are distinctly positive. With many structural reforms underway the economy is likely to make steady recovery. The slated investment in infrastructure, agriculture and rural hinterland will drive consumption and investment demand. The Indian economy is at a transformative stage and growth momentum on most counts is expected to accelerate. On the domestic front, the progress on key structural reforms including the Insolvency and Bankruptcy Code, Goods and Services Tax (GST), Policy clarity in key infrastructure sectors, higher public investments amongst other initiatives will provide further economic stability and growth impetus.

#### **About Your Company's Position**

This has been an exciting year for Gallantt Ispat and we have delivered a good operational and strong financial performance. We continued to focus on cost optimisation and productivity enhancement. We, at Gallantt Ispat, spent considerable time expanding the plant capacity of various units. Expansion programme is in its full swing and it is expected that expansion will be complete within the scheduled time. I am pleased to inform you that after completion of expansion the production capacities of the

Company would be more than double the present capacity. We have completed a significant portion of its capital expenditure on expansion programme that has equipped us to ramp up production and reap benefits of the capex spent. Increasing our existing capacities will boost our cash flows in the years to come. Our primary focus is on delivering value of the highest standard to our stakeholders. We are constantly motivated on improving our quality of production in each of our business through a culture of best practice benchmarking. We have established market place in the state of U.P., Bihar, Delhi and Jharkhand and products of the Company are widely acknowledged in the market. Being a customer-centric organization, we are involved in providing utmost quality products to customers that satisfy their entire requirements. Further, Steel demand outlook is also improving with the Government's affordable housing program and likely start of an investment cycle by FY19.

#### **Our Strong Balance Sheet**

Our operations are fundamentally strong and generate superior profit margin. Our consistent focus on deleveraging the balance sheet is visible in the reduction of gross debt.

#### **Our motto and our strength**

Our ultimate goal is to create value for our stakeholders in order to deliver sustainable, profitable growth and provide our shareholders with a superior return on their investment, whilst providing each of our employees with a safe workplace where he or she is recognised, developed and properly rewarded.

Our team is the backbone of our organization, without their experience, expertise and commitment we would not have scaled this height that we have in such a short span. Without doubt, our people play a key role in Gallantt's march towards continued excellence.

Thanks,

**C. P. AGRAWAL**

**GALLANTT ISPAT LIMITED**

Corporate Identity Number (CIN): L27109WB2005PLC101650

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

Mr. Mayank Agrawal

**CHIEF FINANCIAL OFFICER**

Mr. Amit Jalan

**COMPANY SECRETARY**

Mr. Nitesh Kumar

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

State Bank of India

ICICI Bank

HDFC Bank

**EQUITY SHARES LISTED ON**

Bombay Stock Exchange Limited

National Stock Exchange of India Limited

**REGISTRARS & SHARE TRANSFER AGENTS**

Niche Technologies Pvt. Ltd.

D-511, Bagree Market

71, B.R.B. Basu Road

Kolkata - 700 001

Ph.: 033-22357270/7271/3070/2234

Fax: 033-22156823

**WORKS OFFICE**Plot No. AL-5, Sector – 23,  
Gorakhpur Industrial Development  
Authority (GIDA), Sahjanwa,  
Gorakhpur, Uttar Pradesh**AUDIT COMMITTEE OF THE BOARD**

Mr. Piyush Kankrania- Chairman

Mr. Tarun Kumar Gupta

Mr. Jyotirindra Nath Dey

**STAKEHOLDERS RELATIONSHIP COMMITTEE OF THE BOARD**

Mr. Tarun Kumar Gupta - Chairman

Mr. Piyush Kankrania

Mr. Jyotirindra Nath Dey

**NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD**

Mr. Jyotirindra Nath Dey - Chairman

Mr. Piyush Kankrania

Mr. Tarun Kumar Gupta

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD**

Mr. Jyotirindra Nath Dey - Chairman

Mr. Chandra Prakash Agarwal

Mr. Prem Prakash Agarwal

**13th Annual Report 2016-2017**

Date	26.09.2017
Day	Tuesday
Time	2.00 P.M.
Place	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
Book Closure Date for AGM	Wednesday, September 20, 2017 to Tuesday, September 26, 2017 (both days inclusive)
<b>Members are requested to register their email address with the Depository Participants/Registrar &amp; Share Transfer Agent.</b>	

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## GALLANTT ISPAT LIMITED

CIN:L27109WB2005PLC101650

Registered Office: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069

Phone No. 033-40642189, Fax No. 033-40642189

E-mail : nitesh@gallanttt.com

### NOTICE

Notice is hereby given that the **Thirteenth Annual General Meeting of GALLANTT ISPAT LIMITED (CIN:L27109WB2005PLC101650)** will be held on **Tuesday, 26th September, 2017 at 2.00 P.M. at – Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 to transact the following business:**

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - b. the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Santosh Kumar Agrawal (DIN: 01045228), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an **Ordinary Resolution:**

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

remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2018.”

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

#### SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2018 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration Number 23872) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2018, be paid remuneration amounting to ₹ 45,000/- (Rupees Forty Five Thousand only) excluding out of pocket expenses, if any”.

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

6. To consider, and if thought fit, to pass, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies

Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of Mr. Chandra Prakash Agarwal, Managing Director of the Company (DIN: 01814318) as per the Agreement dated October 13, 2016, entered into between the Board of Directors of the Company and Mr. Chandra Prakash Agrawal and that the new remuneration terms shall be as under:

**Salary:** At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** No commission shall be paid.

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

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

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

**"RESOLVED FURTHER THAT** except slab of remuneration and remuneration terms, all other terms and conditions of appointment already approved by the members as per the agreement entered between the Company and Mr. Chandra Prakash Agrawal dated 12th August, 2013 shall remain unchanged."

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

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

7. To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of Mr. Prem Prakash Agarwal, Whole-time Director of the Company (DIN: 01397585) as per the Agreement dated October 13, 2016, entered into between the Board of Directors of the Company and Mr. Prem Prakash Agrawal and that the new remuneration terms shall be as under:

**Salary:-**At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** - No commission shall be paid.

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

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

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

**"RESOLVED FURTHER THAT** except slab of remuneration and remuneration terms, all other terms and conditions of appointment already approved by the members as per the agreement entered between the Company and Mr. Prem Prakash Agrawal dated 12th August, 2013 shall remain unchanged."

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

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

8. To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of Mr. Santosh Kumar Agarwal, Whole-time Director (Director- Sales & Marketing) of the Company (DIN: 01045228) as per the Agreement dated October 13, 2016, entered into between the Board of Directors of the Company and Mr. Santosh Kumar Agrawal and that the new remuneration terms shall be as under:

**Salary:** At the rate of Rs. 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** - No commission shall be paid.

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

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

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

**“RESOLVED FURTHER THAT** except slab of remuneration and remuneration terms, all other terms and conditions of appointment already approved by the members as per the agreement entered between the Company and Mr. Santosh Kumar Agrawal dated 10th July, 2014 shall remain unchanged.”

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

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

9. To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals as may be necessary, consent of the Company, be and is hereby accorded for increase in remuneration of Mr. Nitin M Kandoi, Whole-time Director (Director-Plant Operation) of the Company (DIN: 01979952) as per the Agreement dated October 13, 2016, entered into between the Board of Directors of the Company and Mr. Nitin M Kandoi and that the new remuneration terms shall be as under:

**Salary:-**At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with

provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** - **No commission shall be paid.**

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

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

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

**“RESOLVED FURTHER THAT** except slab of remuneration and remuneration terms, all other terms and conditions of appointment already approved by the members as per the agreement entered between the Company and Mr. Nitin M Kandoi dated 10th July, 2014 shall remain unchanged.”

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

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

the purpose of giving effect to this resolution”.

- 10 To appoint Mr. Tarun Kumar Gupta (DIN: 07767894) as an Independent Director and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Tarun Kumar Gupta (DIN: 07767894), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and also in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors

of the Company to hold office up to 5 (five) consecutive years up to 17th March, 2022, not liable to retire by rotation”.

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

**Registered Office:**

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

**For Gallantt Ispat Limited**

Nitesh Kumar  
(Company Secretary)

Date: August 01, 2017

Place: Kolkata

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Director proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided as a forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.



8. The Register of Members and Share Transfer Books shall be closed from Wednesday 20 September, 2017 to Tuesday, September 26, 2017 (both days inclusive) the purposes of the Annual General Meeting of the Company.
9. During the Financial Year 2016-17, Board of Directors of the Company has recommended Dividend of 50 Paise only per share. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts are used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Niche Technologies Private Limited (the “Niche”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Niche.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Niche.
12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
13. Members who have not so far encashed their Dividend Warrants for the financial years ended 31st March, 2011, 2012, 2013, 2014, 2015 and 2016 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company’s corporate website [www.gallantt.com](http://www.gallantt.com) and also uploaded on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).
14. The Company has implemented the ‘Green Initiative’ as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013. Members may also note that the Notice of the 13th AGM and the Annual Report for FY 2016-17, copies of audited financial statements, directors’ report, auditors’ report etc. will also be available on the website of the Company, [www.gallantt.com](http://www.gallantt.com) for download. Members holding shares in electronic mode are therefore requested to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
16. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection by the members at the AGM.
17. None of the Directors seeking appointment/reappointment is related to any member of the Board of Directors or to any Key Managerial Personnel, except Mr. Santosh Kumar Agrawal,

who is relative of Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal.

## 18. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 23rd September, 2017 (9:00 am) and ends on 25th September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said

PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put your user ID and password. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Gallantt Ispat Limited" which is 107184.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [tanmayks@gmail.com](mailto:tanmayks@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with

the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number)  
USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19th September, 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot

User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM)/ EGM/ EOGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Tanmay Kumar Saha, Practicing Company Secretary (Membership No. F8847 and C.P. No. 11918) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.gallantt.com](http://www.gallantt.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai & National Stock Exchange of India Limited.

19. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [tanmayks@gmail.com](mailto:tanmayks@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before September 25, 2017, upto 5:00 pm without which the vote shall not be treated as valid.
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2017. A person who is not a member as on cut off date should treat this notice for information purpose only.
21. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficiary owners as at closing hours of business on 18th August, 2017.
22. The shareholders shall have one vote per equity share held by them as on the cut-off date of 19th September, 2017. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
23. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2017 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
24. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
25. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 19th September, 2017 are requested to send the written / email communication to the Company at [nitesh@gallantt.com](mailto:nitesh@gallantt.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
26. Mr. Tanmay Kumar Saha, practicing Company Secretary (Membership No. F8847 and CP No. 11918) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gallantt.com](http://www.gallantt.com) and on the website of NSDL. The same will be communicated to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited.

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

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

##### Item No. 5

The Board of Directors at its meeting held on June 01, 2017 appointed M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration No. 23872), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2018, at a remuneration amounting to ₹ 45,000 (Rupees Forty Five Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 5 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 5 of this Notice.

##### Item No. 6

Mr. Chandra Prakash Agrawal was reappointed as Managing Director of the Company for a period of five years with effect from 1st April, 2014. Since, with the increase in volume of business the workload of Mr. Chandra Prakash Agrawal has considerably increased, the Nomination and Remuneration Committee reviewed his remuneration and has recommended to the Board of Directors the increase in his remuneration. The Nomination and Remuneration Committee of the

Board has suggested increasing the remuneration and the new remuneration terms shall be as under:

**Salary:** At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** No commission shall be paid.

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

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

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

The Board has accordingly decided to increase the remuneration of Mr. Chandra Prakash Agrawal as recommended by the Nomination and Remuneration Committee subject to approval of the members of the Company.

#### Minimum Remuneration

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Mr. Chandra Prakash Agrawal.

Pursuant to the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the approval of the members is required to be obtained for increase in remuneration of Mr. Chandra Prakash Agrawal w.e.f. 01/10/2016 as proposed in the resolution.

The Board recommends the resolution for the approval of the members.

Mr. Chandra Prakash Agrawal is interested in this resolution. Mr. Prem Prakash Agrawal and Mr. Santosh Kumar Agrawal, Directors and Mr. Mayank Agrawal,

Chief Executive Officer of the Company are interested in this resolution as they are relatives of Mr. Chandra Prakash Agrawal. None of the other Director, Whole Time Director, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 6. Further, presently the Company has got no Manager.

#### Item No. 7

Mr. Prem Prakash Agrawal was reappointed as a Whole-time Director of the Company for a period of five years with effect from 1st April, 2014. Since, with the increase in volume of business the workload of Mr. Prem Prakash Agrawal has considerably increased, the Nomination and Remuneration Committee reviewed his remuneration and has recommended to the Board of Directors the increase in his remuneration. The Nomination and Remuneration Committee of the Board has suggested increasing the remuneration and the new remuneration terms shall be as under:

**Salary:** At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** No commission shall be paid.

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

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

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

The Board has accordingly decided to increase the remuneration of Mr. Prem Prakash Agrawal as recommended by the Nomination and Remuneration Committee subject to approval of the members of the Company.



### Minimum Remuneration

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Mr. Prem Prakash Agrawal.

Pursuant to the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the approval of the members is required to be obtained for increase in remuneration of Mr. Prem Prakash Agarwal w.e.f. 01/10/2016 as proposed in the resolution.

The Board recommends the resolution for the approval of the members.

Mr. Prem Prakash Agrawal is interested in this resolution. Mr. Chandra Prakash Agrawal and Mr. Santosh Kumar Agrawal, Directors of the Company are interested in this resolution as they are relatives of Mr. Chandra Prakash Agrawal. None of the other Director, Whole Time Director, Chief Executive Officer Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 7. Further, presently the Company has got no Manager.

#### Item No. 8

Mr. Santosh Kumar Agrawal was appointed as a Whole-time Director of the Company for a period of five years with effect from 12th July, 2014. Since, with the increase in volume of business the workload of Mr. Santosh Kumar Agrawal has considerably increased, the Nomination and Remuneration Committee reviewed his remuneration and has recommended to the Board of Directors the increase in his remuneration. The Nomination and Remuneration Committee of the Board has suggested increasing the remuneration and the new remuneration terms shall be as under:

**Salary:** At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission:** No commission shall be paid.

**Minimum Remuneration:-** The above salary will be

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

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

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

The Board has accordingly decided to increase the remuneration of Mr. Santosh Kumar Agrawal as recommended by the Nomination and Remuneration Committee subject to approval of the members of the Company.

### Minimum Remuneration

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Mr. Santosh Kumar Agrawal.

Pursuant to the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the approval of the members is required to be obtained for increase in remuneration of Mr. Santosh Kumar Agrawal w.e.f. 01/10/2016 as proposed in the resolution.

The Board recommends the resolution for the approval of the members.

Mr. Santosh Kumar Agrawal is interested in this resolution. Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal, Directors of the Company are interested in this resolution as they are relatives of Mr. Chandra Prakash Agrawal. None of the other Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 8. Further, presently the Company has got no Manager.

#### Item No. 9

Mr. Nitin M Kandoi was reappointed as a Whole-time Director of the Company for a period of five years with effect from 10th October, 2014. Since, with the increase in volume of business the workload of Mr. Nitin M Kandoi has considerably increased, the Nomination and Remuneration Committee reviewed his remuneration and has recommended to the Board of Directors the increase in his remuneration. The Nomination and Remuneration Committee of the Board has suggested increasing the remuneration and the new remuneration terms shall be as under:

**Salary:** At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousands only) per month from 1st day of October, 2016 till 31st March, 2017 (for Six Months Period) and thereafter an increment of ₹ 25,000 per Month effective from April 01, 2017 in the scale of ₹ 1,50,000-25,000-200,000/- (with provision for annual

increment of ₹ 25,000/- per Month) from the beginning of the Financial Year 2017-18.

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

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

**Commission: No commission shall be paid.**

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

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

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

The Board has accordingly decided to increase the remuneration of Mr. Nitin M Kandoi as recommended by the Nomination and Remuneration Committee subject to approval of the members of the Company.

#### **Minimum Remuneration**

In absence or inadequacy of profits in any financial year, the remuneration as set out above may be paid as the minimum remuneration to Mr. Nitin M Kandoi.

Pursuant to the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, the approval of the members is required to be obtained for increase in remuneration of Mr. Nitin M Kandoi w.e.f. 01/10/2016 as proposed in the resolution.

The Board recommends the resolution for the approval of the members.

Mr. Nitin M Kandoi is interested in this resolution. None of the other Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 9. Further, presently the Company has got no Manager.

#### **Item No. 10**

The Board of Directors of the Company at its meeting held on March 18, 2017, on the recommendation of the Remuneration and Nomination Committee, had appointed Mr. Tarun Kumar Gupta as an Additional Director on the Board of the Company in the capacity

as Non Executive and Independent Director within the meaning of Section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for a term of 5 consecutive years commencing from March 18, 2017. Mr. Tarun Kumar Gupta has vast experience, knowledge and standing in the area of Accounts, Finance, Taxation and Corporate Law.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Tarun Kumar Gupta has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Tarun Kumar Gupta as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director up to 17th March, 2022.

In the opinion of the Board, Mr. Tarun Kumar Gupta fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The Company has received a notice in writing from a member along with deposit of the requisite amount pursuant to Section 160 of the Act, proposing the candidature of Mr. Tarun Kumar Gupta for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Act.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Tarun Kumar Gupta as Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the company.

The Board commends acceptance of the resolution set out in Item No. 10 of the convening Notice. Mr. Tarun Kumar Gupta is interested and concerned in the Resolution mentioned at Item No. 10 of the Notice. Other than Mr. Tarun Kumar Gupta no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.10 of the Notice.

#### **A brief profile of Mr. Tarun Kumar Gupta is given below:**

Mr. Tarun Kumar Gupta is a Commerce Graduate from Calcutta University. He has a wide and vast knowledge of Corporate Law, Taxation, Accounting and Finance.

Presently, he does not serve on the Board of other companies. Further details of Mr. Tarun Kumar Gupta have been provided in [Annexure 1](#).

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

Name of the Director	Mr. Tarun Kumar Gupta
DIN	07767894
Date of Birth and Age	04/10/1989 (28 Years approximately)
Date of first appointment on the Board	18.03.2017
Qualifications	<b>B.Com (H) &amp; CA (IPCC)</b>
Experience and Expertise	Mr. Tarun Kumar Gupta, aged about 27 years, has an experience of 5 years in the field of finance and accounts. He is a Commerce Graduate from Calcutta University. His expertise in the finance and accounts would prove an asset for the Company.
Number of Meetings of the Board attended during the year.	Two (2). For details please refer to Corporate Governance Report forming part of Annual Report
List of Directorship / Membership / Chairmanship of Committees of other Board.	<b>NIL</b>
Shareholding in Gallantt Ispat Limited	<b>NIL</b>
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with Director, Manager and Key Managerial Personnel.
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website viz. gallantt.com
Justification for choosing the appointees for appointment as Independent Directors	Vast experience in the field of Corporate Laws, Taxation, Accounting and Finance.
Chairman/member of the Committee of the Board of Directors of this Company	Chairman of the Stakeholders' Relationship Committee and Member of Audit Committee and Nomination and Remuneration Committee.

**Details of Mr. Santosh Kumar Agrawal, seeking re-appointment, are as under:**

Name of the Director	Mr. Santosh Kumar Agrawal
Father's Name	Late Govind Prasad Agrawal
Address	Saket Nagar, Lachhipur, Gorakhnath, Gorakhpur -273015 U.P.
Director Identification Number	01045228
Date of Birth	21.07.1951
Effective Date of Reappointment	26.09.2017 (Date of Annual General Meeting)
Qualifications	M.Sc
Expertise in specific functional areas	Mr. Santosh Kumar Agrawal holds a Master Degree in Chemistry from Gorakhpur University, Uttar Pradesh. Mr. Santosh Kumar Agrawal has started his career long years back and having experience of 40 years in the Steel and Agro Industries. Mr. Santosh Kumar Agrawal was closely associated with Govind Mills Limited (amalgamated with Gallantt Udyog Limited) and during his tenure of service, Govind Mills Limited achieved a high level of turnover and growth. He has served Gallantt Udyog Limited in the capacity of Managing Director. He was looking after operations of the agro manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited). During this period and under his Directorship, the Gallantt Udyog Limited has completed and achieved various targets and plans and the Company achieved higher levels of growth.
Directorship in other Companies	Gorakhpur Texpark Private Limited
Membership/Chairmanship of committees of other public companies on which he is a Director	NIL
No. of Shares held in the Company	2,19,708
Relationship with any Directors of the Company	Relative of the Company's Directors - Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal

**Registered Office:**

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

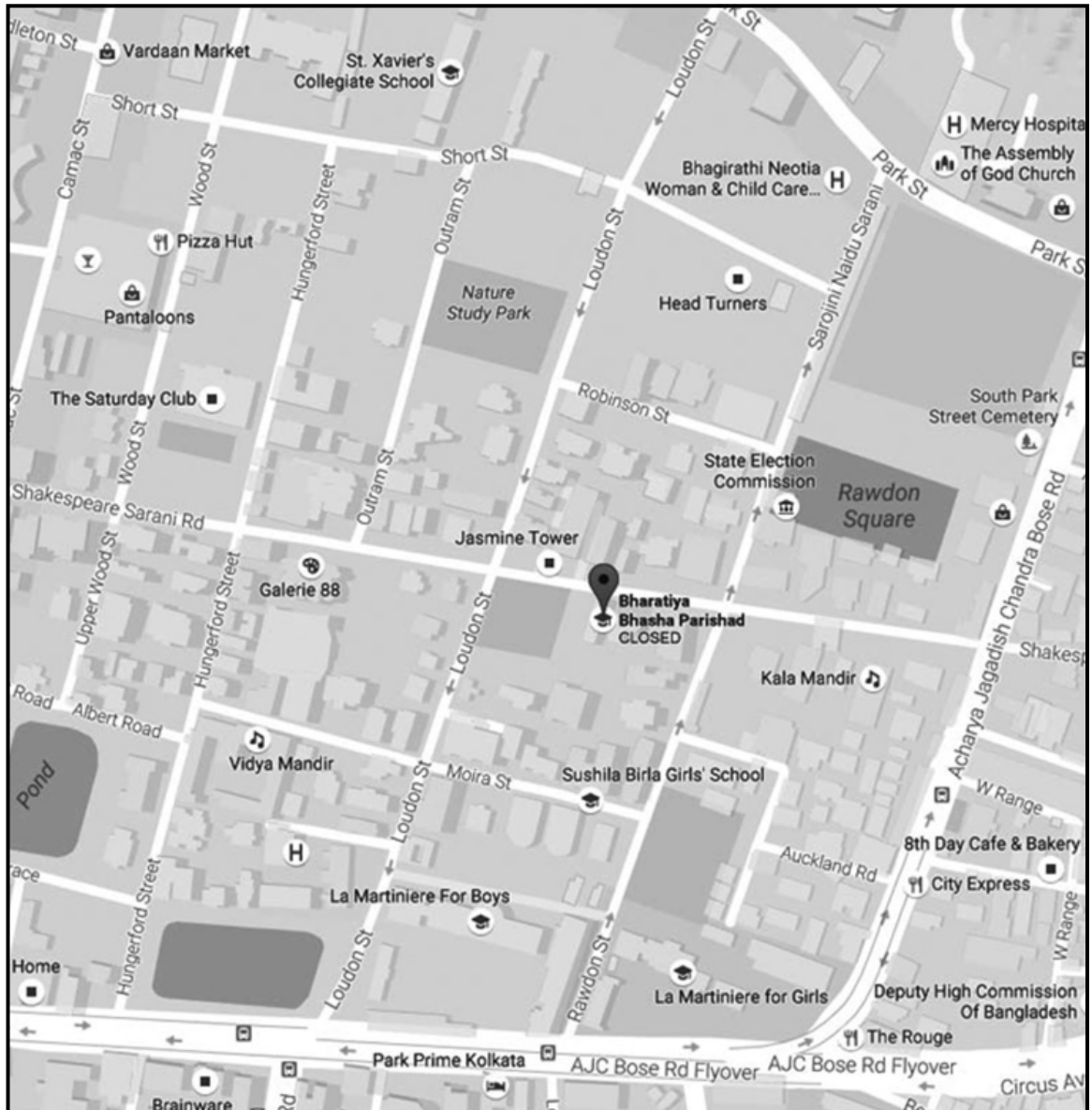
**For Gallantt Ispat Limited**

Nitesh Kumar  
(Company Secretary)

Date: August 01, 2017

Place: Kolkata

### Road Map of Venue of 13th Annual General Meeting





## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 13th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2017.

### CORPORATE OVERVIEW

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

### WORKING RESULTS

(₹ in Lacs)

	Standalone		Consolidated	
	2017	2016	2017	2016
<b>Financial Results</b>				
Income from operation	42,470.61	53,475.85	42,470.61	57,964.76
Other Operating Income	37.24	20.36	43.80	118.90
Finance Cost	423.53	761.72	423.53	845.10
Depreciation (including amortization)	1,240.86	1,390.50	1,240.86	1,394.51
Profit Before Tax	4,605.17	3,098.67	4,610.47	3,178.86
Tax Expenses (including Deferred Tax)	180.46	239.67	182.28	264.50
Profit After Tax	4,424.71	2,859.00	4,428.19	2,914.36

### PERFORMANCE AND OPERATIONAL REVIEW AND STATE OF THE COMPANY'S AFFAIRS

During the year Revenue from Operations stood at ₹ 42,470.61 Lacs. Decrease in sales volume was only due to the low demand specifically during the period starting from Demonetisation of Currency Notes. Standalone and Consolidated Net Profit stood at ₹ 4,424.71 Lacs and ₹ 4,428.19 Lacs respectively. Earnings per Share (EPS) stood at ₹ 15.67 (standalone) and ₹ 20.34 (consolidated) for the Financial Year ended March 31, 2017. There is no change in the nature of the business of the Company. Disclosure of financial statement of subsidiaries and associate company has been provided in the prescribed format as a part of this Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. Factory had been working efficiently during the year. Safety measures and processes have been installed and improved upon at the plants and work sites.

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

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

### DIVIDEND

During the year, your Directors recommended a Dividend of Re. 0.50 (Paise Fifty only) per Equity Share on 2,82,36,072 Equity Shares of ₹ 10 /- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be ₹1,41,18,036 subject to tax.

### SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2017 stood at 2,823.61 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the company hold instruments convertible into equity shares of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- c. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

#### **FINANCE AND ACCOUNTS**

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

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

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

#### **LISTING INFORMATION**

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2017-18. The ISIN No. of the Company is INE528K01011

#### **CREDIT RATING**

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

#### **FIXED DEPOSITS**

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

#### **AUDITORS & AUDITORS' REPORT**

M/s. Anoop Agarwal & Co., Chartered Accountants, statutory auditors of the Company was reappointed as the Auditors of the Company at the previous Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, Statutory Auditors of the Company hold office until the conclusion of the 5 years.

Necessary certificate has been obtained from the Auditors as per Section 139(1) of the Companies Act, 2013.

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

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

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

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

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

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

#### **COST AUDIT**

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2015-16 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed with the approval of the Central Government to carry out the cost audit in respect of the Company for the financial year 2016-17. Based on the recommendation of the Audit Committee, M/s. U. Tiwari & Associates, Cost Accountants, being eligible, have also been appointed by the Board as the Cost Auditors for the financial year 2017-18.

#### **INSURANCE**

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

#### **INTERNAL COMPLAINT REGARDING SEXUAL HARRASSMENT**

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

#### **BOARD COMMITTEES**

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

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

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

### PARTICULARS OF EMPLOYEES

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

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

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of loans, guarantees and investments u/s 186 of the Companies Act, 2013 is annexed herewith as **Annexure-III**.

### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

### MARKET AND FUTURE PROSPECTS

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

### DETAILS OF POLICIES

#### (i) Nomination and Remuneration Policy

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

#### (ii) Corporate Social Responsibility Policy (CSR)

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

Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility

Policy) Rules, 2014 is also attached herewith as **Annexure-VII**.

#### (iii) Risk Management Policy

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

#### (iv) Whistle Blower Policy – Vigil Mechanism

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

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company [www.gallantt.com](http://www.gallantt.com) under the following weblink: <http://goo.gl/p2FWPY>

### SECRETARIAL AUDITORS

Mr. Anurag Fatehpuria, Practising Company Secretary, having office address at 23/1, Sita Nath Bose Lane, Salkia Howrah Pin-711101 has been appointed as Secretarial Auditors of the Company for the FY ended 31.03.2017. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure - VIII** and forms part of this report.

### ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

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

The performance of the Board and committees was evaluated after seeking inputs from all the Directors on the basis of the criteria such as Board/ committee

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

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

#### **FAMILIARISATION PROGRAMME**

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

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

The details of familiarisation programme have been posted in the website of the Company [www.gallantt.com](http://www.gallantt.com) under the weblink: <http://goo.gl/GyAOqd>.

#### **CODE OF CONDUCT**

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

Pursuant to Regulation 17(5) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. C. P. Agrawal, Chairman & Managing Director and Mr. Mayank Agrawal, Chief Executive Officer confirmed compliance with the Code by all members of the Board and the Senior Management.

The full text of the Code is hosted on the Company's website [www.gallantt.com](http://www.gallantt.com) under the weblink: <http://goo.gl/8TdJfh>.

#### **CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015.

All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. Gallantt Ispat Limited - Code for Fair Disclosure' are available on the Company's website [www.gallantt.com](http://www.gallantt.com) under the weblink: <http://goo.gl/CjgTCR>.

#### **NUMBER OF MEETINGS OF BOARD AND AUDIT COMMITTEE HELD DURING THE YEAR 2016-2017**

Ten (10) meetings of the Board of Directors of the Company were conducted during the financial year and Nine (9) meetings of the Audit Committee of the Board of Directors were conducted during the financial year. The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

#### **AUDIT COMMITTEE**

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

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

\*Mr. Rajesh Kumar Jain has tendered resignation from the Directorship of the Company effective from October 13, 2016 and consequently relinquished as a member of the audit Committee of the Company.

\*\* Mr. Tarun Kumar Gupta has been appointed as an Additional Director and member of the Audit Committee effective from March 18, 2017.

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

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

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

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

Companies which have become or ceased to be

Company's subsidiaries, joint ventures or associate Companies during the year:

Sl. No.	Name	Status	Date
1	Shree Surabhi Wheat Products Private Limited	Ceased to be Subsidiary of the Company	29.09.2016
2	Shree Surabhi Flour Mills Private Limited	Ceased to be Subsidiary of the Company	29.09.2016
3	Shikharji Rolling Mills Private Limited	Subsidiary of the Company	18.03.2017
4	Shikharji Steel & Agro Products Private Limited	Subsidiary of the Company	18.03.2017
5	Bhavika Steel Agencies Private Limited	Subsidiary of the Company	18.03.2017
6	Shrinu Agro Private Limited	Subsidiary of the Company	18.03.2017
7	Shrinu Steel Works Private Limited	Subsidiary of the Company	18.03.2017
8	Gyanika Flour Mills Private Limited	Subsidiary of the Company	18.03.2017
9	Satlaj Ispat Private Limited	Subsidiary of the Company	18.03.2017
10	Satlaj Flour Mills Private Limited	Subsidiary of the Company	18.03.2017

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

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

#### DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

#### CORPORATE SOCIAL RESPONSIBILITY

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

Corporate Social Responsibility Committee of the Company is constituted of:

Mr. Jyotirindra Nath Dey, Chairman,

Mr. Chandra Prakash Agrawal and

Mr. Prem Prakash Agrawal

#### KEY MANAGERIAL PERSONNEL

The following are the whole-time key managerial

personnel of the Company:

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

#### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2017 are provided in the Annual Report.

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

#### EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Act, the details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as

**Annexure-X.**



## RISK MANAGEMENT

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

### Financial risks

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

### Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The Company proactively manages these risks through inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with

the existence of powerful brand image with a robust marketing network mitigates the impact of price risk on finished goods.

### Regulatory risks

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

### Human resource risks

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

### UNPAID AND UNCLAIMED AMOUNT OF DIVIDEND AND SHARE APPLICATION MONEY

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2017:

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In ₹)
Share Application Money	2010-11	HDFC Bank Account No. 00142300001609	71,900.00
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	9,929.00
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	5,419.00
Final Dividend for 2013	2012-13	IDBI Bank Account No. 0135103000007344	17,307.00
Final Dividend for 2014	2013-14	IDBI Bank Account No. 0135103000007900	3,026.50
Final Dividend for 2015	2014-15	IDBI Bank Account No. 0135103000008587	3,109.00
Interim Dividend 2016	2015-16	ICICI Bank Account No. 001105026007	3,929.00

Unpaid dividend amounts and share application money are not available for use by the Company. There is no amount due and outstanding to be credited to Investors' Education and Protection Fund as on 31.03.2017.

As per the provisions of Section 124 of the Companies Act, 2013, the amount of dividends remaining unclaimed for a period of seven years is to be transferred alongwith shares held in those folios to the Investor Education and Protection Fund. The Company provides / hosts the required details of unclaimed dividend amounts and share application money on its website and also Ministry of Corporate Affairs Website in the relevant Form every year.

### BOARD OF DIRECTORS AND SENIOR EXECUTIVE

During the year Mr. Rajesh Kumar Jain (DIN: 02113164) has tendered his resignation from the Directorship

of the Company effective from October 13, 2016 and consequent upon his resignation from the Directorship of the Company he also relinquished as a member of the Audit Committee and Nomination and Remuneration Committee of the Board and as a Chairman of the Stakeholders Relationship Committee of the Board. Mr. Tarun Kumar Gupta (DIN: 07767894) has been appointed as an Additional Independent Director of the Company. In terms of Section 161 of the Companies Act, 2013, Mr. Tarun Kumar Gupta holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing his name for the office of Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Tarun Kumar Gupta as an Independent Director, for the approval by the shareholders of the Company.

Further, Mr. Tarun Kumar Gupta has been appointed as a member of the Audit Committee and Nomination and Remuneration Committee of the Board and as a Chairman of the Stakeholders Relationship Committee of the Board.

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

Mr. Jyotirindra Nath Dey, Mr. Tarun Kumar Gupta, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay are Independent Directors of the Company. Independent Directors are appointed for five consecutive years and are not liable to retire by rotation in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. Mrs. Sangeeta Upadhyay has been appointed as Independent Woman Director. Mr. Mayank Agrawal was appointed as a Chief Executive Officer of the Company as per the provisions of the Companies Act, 1956. His appointment has been aligned with the new provisions of the Companies Act, 2013 and he has been appointed in the same position and designation as per the new provisions of the Companies Act, 2013. Mr. Amit Jalan is Chief Financial Officer and is inter alia looking after the core finance function of the Company. Mr. Nitesh Kumar is working in the capacity of Company Secretary and Compliance Officer.

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

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

Mr. Rajesh Kumar Jain (DIN: 02113164) has tendered his resignation from the Directorship of the Company effective from October 13, 2016 and Mr. Tarun Kumar Gupta (DIN: 07767894) has been appointed as an Additional Independent Director of the Company. Mr. Mayank Agrawal has been working in the capacity of Chief Executive Officer of the Company and his appointment was made as per then existing provisions of the Companies Act, 1956. Appointment of Mr. Mayank Agrawal was aligned with the provisions of new Companies Act, 2013 and he has been reappointed in the same post.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Amit Jalan had resigned from the post of Chief Financial Officer (CFO) of the Company effective from February 03, 2017. Board of Directors at their meeting held on February 03, 2017 appointed Mr. Anurag Kumar Khetan as a CFO of the Company. Mr. Anurag Kumar Khetan after consenting to work in the capacity of CFO could not join the Company due to his personal reasons (health related issues). Board of Directors has once again appointed Mr. Amit Jalan in the post of CFO of the Company effective from March 18, 2017.

#### **TRANSFER TO RESERVES**

Your Directors propose to transfer ₹ 4,254.78 Lacs to the General Reserve.

#### **RELATED PARTY TRANSACTIONS**

The details of Related Party Transactions during the Financial Year ending 31.03.2017, being arm's length transactions have been reported in the financial statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company [www.gallantt.com](http://www.gallantt.com) under the weblink : <http://goo.gl/9TdDjp>

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

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

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz. [www.gallantt.com](http://www.gallantt.com). None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

## DISASSOCIATION OF SUBSIDIARIES AND DISPOSAL OF STAKE IN SUBSIDIARIES

Pursuant to the review and recommendation of the Audit Committee, Board of Directors of the Company, at their meeting held on September 29, 2016, decided and disposed off entire shareholding held in two Subsidiary Companies viz. M/s. Shree Surabhi Wheat Products Private Limited and M/s. Shree Surabhi Flour Mills Private Limited thereby both the Companies disassociated as Subsidiaries of the Company. Further, during the year Company has acquired eight subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited. Company has acquired entire shareholding in these eight subsidiaries in line with the recommendation of the Audit Committee and approval of the Board of Directors.

## SCHEME OF AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES

At their meeting held on March 23, 2017, Board of Directors of the Company has approved the Scheme of Amalgamation of Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited (together referred to as the "Transferor Companies") with the Gallantt Ispat Limited (hereinafter referred to as the Company/ Transferee Company). Scheme of All the transferor Companies are Wholly Owned Subsidiaries of the Company. Hence, as per the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company has filed Scheme of Amalgamation with the Registrar of Companies, West Bengal and Office of the Official Liquidator, Calcutta High Court for their Observation on the same.

Vide its Letter bearing reference no. ROC/LEGAL/233/2017/455 dated 04.05.2017, the office of Registrar of Companies, West Bengal has issued its observation with the following suggestions:

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

demerger", if applicable.

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

The said suggestion has been duly incorporated in the Scheme of Amalgamation.

Further, the Office of the Official Liquidator, High Court, Calcutta vide its letter bearing reference no. OLMisc./Amalg./60/714/G dated 05.05.2017 has given its Observation without suggestions.

In accordance with the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company have convened and held meeting of Equity Shareholders and Unsecured Creditors of the Company on July 12, 2017.

## FINANCE AND ACCOUNTS DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has adequate systems and processes of internal controls which are commensurate with its size and nature of operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, complying with applicable statutes, safeguarding of assets, authorization of transactions and adherence to the Company's policies and practices.

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

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

## OUTLOOK AND EXPANSION

The recent trend in macro indicators clearly points towards improving fundamentals of the domestic economy. The Central Government has also shown its intent in furthering the reform momentum to revive investments and improve governance. The global commodity cycle is expected to be benign with consumption demand from the Chinese economy slowing down. Taking cues from the inflationary trend, the Reserve Bank of India has already eased the monetary cycle and is expected to bring out more interest rate cuts going forward. All this favorable factors coupled with some of the important developmental reforms that are being pursued by the Central Government like the tax reform and push for infrastructure spending will set the stage for further pick-up in economic activity in 2016-17. This should augur well for your Company's business across infrastructure.

### Expansion Project:

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

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

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

Facility	Unit	Existing Capacity	Expansion in Phase-1	Expansion in Phase-2	Post expansion Proposed Capacity
Sponge Iron	MTPA	99000	198000	148500	445500
SMS	MTPA	167400	162600	165000	495000
Rolling Mill	MTPA	162380	167620	165000	495000
Power	MW	18	25	12.5	55.5
Flour Mill	MTPA	108000	0	0	108000

Fixed Capital Cost ₹ 371.28 Crores.

## PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

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

## DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the

Schedules and Rules issued thereunder as well as Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## AWARD AND RECOGNITIONS

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

1. Uttar Pradesh "Udyami Samman – 2011" has been awarded by Zee Media House which was presented by Shriprakash Jaiswal, Hon'ble Coal Minister, Central Government.
2. Awarded "Best Performing Company -2013 in Uttar Pradesh" by Sahara Samay Media House presented by Shri Akhilesh Yadav, Hon'ble Chief Minister of U.P.

During the year Company has not received any award.

## MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2017 till the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company. However, after approval of the Scheme of Amalgamation as above all the assets and liabilities of the Transferor Companies shall be transferred to the Company.

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

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

## GENERAL

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

## CHANGE IN SHARE CAPITAL

During the year under report there is no change in Share Capital.

## INTERNAL FINANCIAL CONTROLS

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

ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively. The Audit Committee evaluated the internal financial controls based on the following criteria:

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

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

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

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

## **FRAUD REPORTING**

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

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of Health, Education and rural development, eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed and forms an integral part of this Report.

## **ENVIRONMENT AND SAFETY**

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

## **ACKNOWLEDGEMENT**

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

On behalf of the Board

Place: Kolkata  
Date: August 01, 2017

**C. P. Agrawal**  
Chairman

## ANNEXURE – I

## ANNEXURE TO DIRECTORS' REPORT

## A. CONSERVATION OF ENERGY

## (a) Energy Conservation Measures Taken

## Steps taken for conservation of energy:

Your Company continually taking necessary steps to absorb and adopt the latest technologies. These initiatives enable the facilities to become more efficient and productive as the company expands, thereby helps in energy conservation. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy Conservation continues to receive increased emphasis at all the units of the Company. Your Company's technical team monitors closely and vigorously various plants and equipments and suggests adoption of new and latest technology etc. and discuss to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving the efficiency of generation and also in the reduction in energy consumption. Additionally, constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings to transpire going forward.

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

- **Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Nil**
- **In respect of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods- This has resulted in cost savings for the Company.**
- **Total energy consumption and energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the Schedule thereto:**

## FORM –A

## Disclosure of Particulars with respect to conservation of energy

Particulars	2016-17	2015-16
<b>A. Power &amp; Fuel Consumption</b>		
1. <b>Electricity</b>		
(a) <b>Purchased</b>		
Total Unit in Lacs KWH	503.66	536.42
Amount ₹ in Lacs	3,772.48	4,106.33
Rate Per Unit (₹)	7.49	7.66
(b) <b>Own Generation</b>		
Total Units in Lacs KWH	891.69	845.13
Amount ₹ In Lacs	5,845.00	5,462.77
Rate per Unit	6.56	6.46
2. <b>Coal</b>		
Quantity- M.T.	1,47,084.61	1,49,665.39
Total Cost- ₹ in Lacs	8,496.58	9,940.21
Average rate-₹ per M.T.	5,776.66	6,641.62
3. <b>Furnace Oil</b>		
Quantity (K. Ltrs.)	43.91	73.22
Total Cost (₹ Lacs)	12.75	20.10
Average Rate (₹ / K. Ltrs.)	29,028.40	27,447.97
<b>B. Consumption per unit of production</b>		
1. <b>Electricity (Unit/M.T.)</b>		
Agro	127.77	85.66
Sponge Iron	73.74	68.49
SMS (Furnace and Concast)	858.50	840.00
Rolling Mills	154.99	151.97

Particulars	2016-17	2015-16
<b>2. Coal</b>		
Power Plant (per 1000 KWH)	<b>417.55</b>	420.66
Rolling Mills (Kg/M.T.)	<b>22.09</b>	32.58
Sponge Iron (Kg/M.T.)	<b>895.62</b>	876.59

#### 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

	2016-2017 (₹ in Lacs)	2015-2016 (₹ in Lacs)
Raw Materials	2,119.61	4,652.07
Stores, Chemical and Packaging Materials	23.21	28.88
Capital Goods	21.80	–
Earning in foreign currency	–	–

**ANNEXURE – II****MANAGERIAL REMUNERATION**

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

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

Name	Designation	Ratio to median remuneration of employees
Chandra Prakash Agrawal	Chairman & Managing Director	12 : 1
Prem Prakash Agrawal	Whole-time Director	12 : 1
Santosh Kumar Agrawal	Director (Sales & Marketing)	12 : 1
Nitin M Kandoi	Director (Plant-Operation)	12 : 1
Jyotirindra Nath Dey	Independent Director	N.A.*
Rajesh Kumar Jain	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*

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

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

Name	Designation	% increase
Chandra Prakash Agrawal	Chairman & Managing Director	18.18%
Prem Prakash Agrawal	Whole-time Director	18.18%
Santosh Kumar Agrawal	Director (Sales & Marketing)	18.18%
Nitin M Kandoi	Director (Plant-Operation)	18.18%
Jyotirindra Nath Dey	Independent Director	N.A.*
Rajesh Kumar Jain	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*
Mayank Agrawal	Chief Executive Officer	12.50%
Amit Jalan	Chief Financial Officer	53.21%
Nitesh Kumar	Company Secretary	50.00%

- (c) percentage increase in the median remuneration of employees in the financial year: 22.45%
- (d) number of permanent employees on the rolls of company; 382
- (e) explanation on the relationship between average increase in remuneration and company performance:  
The profit before tax for the financial year ended March 31, 2017 increased by 48.62% and the profit after tax for the financial year ended March 31, 2017 increased by 54.76%, whereas the increase in median remuneration is 22.45%. The average increase in median remuneration is in line with the performance of the company.
- (f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;  
The total remuneration of KMP increased by 22.50%, whereas the profit before tax increased by 48.62% and the profit after tax increased by 54.76%.
- (g) average percentile increase already made in the salaries of employees other than the managerial personnel in the last- financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
18.28% (non-Managerial personnel) and 4.15% (Managerial Personnel)



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

Name	Designation	% increase	Comparison
Chandra Prakash Agrawal	Chairman & Managing Director	<b>18.18%</b>	The profit before tax for the financial year ended March 31, 2017 increased by 48.62% and the profit after tax for the financial year ended March 31, 2017 increased by 54.76%.
Prem Prakash Agrawal	Whole-time Director	<b>18.18%</b>	
Santosh Kumar Agrawal	Director (Sales & Marketing)	<b>18.18%</b>	
Nitin M Kandoi	Director (Plant-Operation)	<b>18.18%</b>	
Mayank Agrawal	Chief Executive Officer	<b>12.50%</b>	
Amit Jalan	Chief Financial Officer	<b>53.21%</b>	
Nitesh Kumar	Company Secretary	<b>50.00%</b>	

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

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

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

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

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

**In pursuance of Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of Top 10 Employees of Gallantt Ispat Limited are as:**

Sr.	Employee Name	Age	Educational Qualification & Experience	Date Of Joining	Remuneration	Last Employment	Designation	Department/ Nature Of Employment	Relation With Directors	% Of Shares Held
1	Vijay Kumar Prasad	43	B.Sc, 21 Years	01.10.2014	8,86,340	Siddhi Vinayak Induction Pvt. Ltd.	General Manager - Furnace	Furnace	No	Nil
2	Nitesh Kumar	38	B.Com, Company Secretary, 13 Years	01.05.2009	9,00,000	Greenply Industries Limited	Corporate Secretariat	Administration Permanent	No	Nil
3	Sarbjeet Singh	52	B E ELECTRICAL, 23 Years	17.07.2013	9,35,410	Inductotherm India Ltd.	Manager - Electrical	Furnace	No	Nil
4	Prashuram Gupta	39	10 <sup>TH</sup> , 19 Years	01.11.2015	9,45,721	Prime Steel, Raipur	Foreman - Rolling Mill	Rolling Mill	No	Nil
5	Musafir Sing Chauhan	37	B.A., 18 Years	18.06.2009	9,73,667	Fortune Metals, Raipur	Foreman - Rolling Mill	Rolling Mill	No	Nil
6	Brijesh Yadav	34	B. A., 15 Years	11.12.2015	9,93,342	Sal Udyog Ltd., Gujrat	General Manager - Rolling Mill	Rolling Mill	No	Nil
7	Rohit Saraswat	32	MBA MARKETING, 13 Years	01.05.2012	10,09,136	Reliance Capital Ltd.	General Manager - Commercial	Marketing	No	Nil
8	Bhaskar Tiwari	47	M. SC.(AG.), MBA, 25 Years	20.06.2015	10,71,287	Api Ispat & Powertech (P) Ltd.	General Manager- Hr	General	No	Nil
9	Amit Kumar Upadhyay	36	MBA MARKETING, 13 Years	01.05.2015	10,85,800	J K Cement Ltd.	General Manager - Marketing & Sales	Marketing	No	Nil
10	D.Gajendra Kumar	39	B E Mechanical, 17 Years	06.09.2012	12,02,463	Ceethar Vessels Ltd.	General Manager - Power Plant	Power Plant	No	Nil

## Annexure-III

## LOANS, INVESTMENT &amp; GUARANTEE U/S. 186 OF THE COMPANIES ACT, 2013

₹ In Lacs

Sl. No.	Particulars	Loans	Investments	Guarantee
1.	Shikharji Rolling Mills Private Limited	NIL	91.00	NIL
2.	Shikharji Steel & Agro Products Private Limited	NIL	91.00	NIL
3.	Bhavika Steel Agencies Private Limited	NIL	91.00	NIL
4.	Shrinu Agro Private Limited	NIL	1.00	NIL
5.	Shrinu Steel Works Private Limited	NIL	1.00	NIL
6.	Gyanika Flour Mills Private Limited	NIL	74.90	NIL
7.	Satlaj Ispat Private Limited	NIL	76.00	NIL
8.	Satlaj Flour Mills Private Limited	NIL	76.00	NIL

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forming part of the Report of the Directors for the year ended 31st March, 2017)

### 1.ECONOMY OVERVIEW AND DEVELOPMENTS

Global GDP growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies; while the emerging and developing economies (EMDEs) remained relatively resilient. However, economic activity rebounded in the second half of the year in the advanced economies along with recovery in manufacturing. The United States saw stronger growth in employment and improving consumer confidence. Growth in the Euro area was stable with steady growth in manufacturing activities and global exports. Domestic demand remained steady in the United Kingdom despite the Brexit vote. Japan also grew steadily with support from exports as well as domestic investments. Growth in China was supported by continued policy stimulus. However, countries such as Argentina, Brazil and Turkey remained in recession. Activity in Russia improved slightly with firmer oil prices.

Major global events during the year included United Kingdom's decision to leave the European Union and the outcome of presidential elections in United States of America both the events are expected to have long-term effects on the global economy. Growth in emerging markets and developing economies is expected to pick up in 2017 on the back of fiscal stimulus measures in developed economies and narrowing of divergence between commodity exporters and importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments, below par levels of productivity coupled with heightened policy uncertainty, and protectionist pressures.

#### Indian economy

Fiscal 2016-2017 has proved a historic year marking by bold policy moves on the part of the Government. Passing of Goods and Services Tax Bill (GST), Demonetization, decision and initiatives of the Government on direct benefit transfer are the key focus areas of the Government of India. Passage of the constitutional amendment to introduce GST will help avoid cascading tax burden, ease of doing business and create a pan-India market place. It will also improve formalisation of the shadow economy, improve tax compliance as well as tax base and boost growth in the long run. The sudden and unexpected measure of demonetization seemingly affected growth in the later part of the year. But it has the potential to boost tax compliance, improve formal system liquidity and

economic growth in the long run.

Government's initiatives on direct benefit transfer will also reduce leakages in the system and support efficient development of the targeted sectors.

Though India's fundamentals still remain strong, the recent demonetisation initiative undertaken by the Indian Government is expected to lower India's GDP growth from 7.6% in FY16 to 6.8% in FY17. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in FY17. The Indian Government's decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead. India's eight core infrastructure industries – coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity registered cumulative growth of 4.9% during the April-November period compared to 2.5% a year ago.

*Source: International Monetary Fund (IMF) and Economic Survey)*

### INDUSTRY OVERVIEW

#### Steel industry

##### Global Scenario

The global crude steel production grew marginally at 0.8% y-o-y to 1.63 billion tonnes in CY 2016. China, India, Turkey and Ukraine were the only four countries among the top 10 steel-producing nations to witness growth in steel production in CY 2016. During the year, China recorded a 1.2% y-o-y increase in production, as the world's largest producer reversed the decline, it witnessed in Jan-Feb 2016. Crude steel production decreased in Europe, the Americas and Africa. However, the global crude steel output grew strongly at 3.3% y-o-y in second half of the year with increase in all major steel producing regions except South America, despite the fact that the global steel industry continues to face headwinds of overcapacity and weak demand. The production growth in China further accelerated to 3% y-o-y in the second half of the year. While Global steel industry continue to grapple with over capacity, weak demand growth, dumping of steel at predatory prices by some countries & volatile input prices; improving growth momentum in advanced & key emerging markets & broad-basing of trade remedial measures will provide stability to steel industry.

The financial year 2016-17 threw up challenges in terms of tepid global steel consumption growth, trade remedial actions across countries and volatile raw

material prices. However steel prices recovered due to imposition of trade remedial across geographies and spike in iron ore and coal prices providing relief to the steel industry.

### Indian Steel Sector

India turned as net exporter of steel this year. India's Steel exports jumped by 102.1 % in Fiscal 2016-17 to 8.24 million tonnes (mt) as compared to 4.07 mt shipped out in the previous fiscal (2015-16 as per the report of Steel Ministry's.

During the year, India's steel sector was impacted by intense competitive pressure with a surge in domestic steel production and elevated level of steel imports at predatory pricing. In FY2016-17, India's crude steel production grew by 8.5% y-o-y to 97.4 million tonnes. India imposed 'Minimum Import Price' (MIP) in Feb 2016 on various iron and steel products, after seeing that the provisional safeguard duty of hot rolled sheet failed to have a desirable impact on unbridled and unfair flow of steel imports into the country. This was an emergency provision, which provided some relief to the industry.

Later on the Government imposed provisional anti-dumping duty on: hot rolled and cold roll products in August 2016; wire rods in November 2016; and colour coated rods in January 2017 as the industry needed adequate, swifter and longer shelf-life trade remedial measures to check unbridled and unfair steel imports. India also notified final safeguard duty on hot rolled sheets and plates in November 2016. However, steel imports remained at around 8 million tonnes on an annualised basis, despite these trade remedial measures. The domestic steel industry suspects circumvention of these trade remedial measures. Therefore, a stringent monitoring mechanism is required.

### Agro industry (wheat products)

Agriculture plays a vital role in India's economy. Over 58 per cent of the rural households depend on agriculture as their principal means of livelihood. India is the second largest producer of wheat in the world. Wheat production is about 90 million tons per year in India and accounts for approximately 12 per cent of world production.

Wheat is mainly sold after crushing or rolling as wheat products which are commonly classified based on the fineness of the grain into – atta, maida, suji, rava and bran.

The demand for specialty wheat flour has also increased due to the growth of fast foods such as pizzas, hamburgers and cakes and increased consumption of pasta products.

Going forward, with the easy availability of wheat for the next few years, increasing urbanization, and rising income levels, the demand for the wheat milling industry is expected to grow rapidly in the future. The Flour Mill unit of the Company is state of the art and using modern technology. The operations at this time were fairly simple. Increase in urbanization, income level of population and other related factors have led to the steady growth of the food industry. Our company produces wheat products such as atta, suji, bran etc. which are sold in markets of Uttar Pradesh, Bihar, West Bengal etc. Company's products are established brand in these states.

### OPPORTUNITIES

The Government's continued focus on infrastructure creation, manufacturing and rural development is expected to lead to an accelerated momentum in the investment cycle and steel demand. The main factors that lead to a significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in India specially in Uttar Pradesh, Bihar, Jharkhand and Delhi. The construction, automobile and manufacturing sectors will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel in the years to come. A competitive and efficient domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'. We are working towards building a sustainable steel business that can withstand all challenges – present and future. Hence, it is important that we continue to be on the lookout for opportunities to invest wisely and build an enviable portfolio of steel assets. As a measure sustainable growth our proposal of expansion of capacity of various plants are under installation and technical team of the Company is working on it. Steel industry is likely to benefit from the new GST rate for steel which is at 18%, with key inputs like coal, iron ore marked at 5%, which is the lowest slab under GST, could help to lower input costs. Together, with a substantial slash in transport costs due to unified and standard tax rate under GST, this is likely to help steel companies keep steel prices stable.

Aimed at protecting the Indian domestic steel firms, the definitive anti-dumping duty imposed on imports of a clutch of hot-rolled and cold-rolled flat products of steel is likely to benefit domestic firms in more ways.

### THREATS AND RISKS

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

cost-effective labour. In the first-half of FY 2016-17, coal prices rose sharply after a sustained decline for most part of FY 2015-16. The result was that many steel producers faced operational pressure and financial challenges. Irrespective of the said limitations and risks, at Gallantt we could maintain the strength of our Balance Sheet by following a practice of aiming to minimise the risk of raw material availability by relying on both domestic and imported coal supplies. Such a strategy enables us to control costs and maintain our operational efficiency during a period of escalating commodity prices across the world. Despite business challenges, our consistent endeavour has been to improve the efficiency of our plants. Our objective is to remain competitive, maintain a lean cost structure and create long-term value for our stakeholders. The Company has a robust risk management process. The Company's risk management process involves periodic identification of risks likely to affect the business adversely, rating the risks on their impact and likelihood, preparation of risk heat map, implementation of risk mitigation plans by the risk owners and continuous monitoring of the mitigation plans by the senior leadership team. The Company has identified risks in the areas of sales, supply chain, finance, regulatory, operations, projects and industrial relations for all the businesses like steel, agro and real estate and accordingly developed mitigation strategies and plans in these areas to reduce or eliminate the likelihood of such risks being playing out. Risk and concern has been elaborated in the Corporate Governance Report.

## OUTLOOK

The various initiatives and reforms of the Government have built the platform for a quantum leap ahead. High impact national projects, coming to grips with structural issues, which were holding back the country's progress, innovative approaches in policy making – have collectively contributed in driving India on a high growth trajectory. The Government has taken many steps, including a sharp focus on improving ease of doing business, speeding of green clearances and stepping up public sector outlays for infrastructure. India's long-term growth potential continues to be strong with focus on faster infrastructure creation, improving manufacturing and farm output, expanding services sector, increasing urbanisation; and stronger regulatory framework for banking and financial services.

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The expansion program will push volume growth. The company's business is committed to achieve benchmark quality besides expanding on new capacity.

## INTERNAL CONTROL AND SYSTEMS

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal controls cover operations, financial reporting, compliance with applicable laws and regulations, safeguarding assets from unauthorised use and ensure compliance of corporate policies. Internal controls are reviewed periodically by the internal auditors, and are subject to management reviews with significant audit observations and follow up actions reported to the Audit Committee. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the changes in the business dynamics, if required.

## STATUTORY COMPLIANCE

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

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may constitute a "forward-looking statement" 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 markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors.

The Company assures no responsibility to publicly modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

For and on behalf of the Board

Place: Kolkata

Date: August 01, 2017

**C. P. Agrawal**

*Chairman*

**Annexure - V****Nomination and Remuneration Policy****BACKGROUND**

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

**BRIEF OVERVIEW UNDER COMPANIES ACT 2013**

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

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

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

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

**PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY**

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

**TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE**

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/ Committee thereof, and, any other benefits such as Commission, if any, payable to the Non-Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

#### **CRITERIA FOR DETERMINING THE FOLLOWING:-**

##### **Qualifications for appointment of Directors (including Independent Directors):**

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

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

##### **Positive attributes of Directors (including Independent Directors):**

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

##### **Criteria for appointment of KMP/Senior Management:**

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

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

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

weight age to arrive at a competitive quantum of remuneration.

- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - Responsibilities and duties;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick ;

- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.

- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

#### REVIEW

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



**Annexure-VI****CORPORATE SOCIAL RESPONSIBILITY POLICY OF GALLANTT ISPAT LIMITED****[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013]****CONCEPT & CONTEXT**

The purpose of this policy is to ensure Gallantt Ispat Limited ("GIL" or the "Company"), affiliates and associated companies; consistently operate in a manner that minimises detrimental impacts to society and the environment. Corporate Social Responsibility (CSR) has always been on the agenda of the Company. Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having Net Worth of ₹ 500 Crores or more or Turnover of ₹ 1,000 Crore or more or Net Profit of ₹ 5 Crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board of Directors (the "Board") of Gallantt Ispat Limited acting upon the recommendation of its Directors and CSR Committee, has adopted the following policy and procedures with regard to the Company's Social Responsibility:

**CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY**

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

**OBJECTIVES OF THE POLICY**

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

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

letter and spirit through appropriate procedures and reporting.

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

**DEFINITIONS**

**"Act"** means the Companies Act, 2013;

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

**"Ministry"** means the Ministry of Corporate Affairs;

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

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

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

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

**LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES**

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

**The activities involve the following:**

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

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

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

#### AREA OF ACTIVITY

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

#### FUNDING AND QUANTUM OF AMOUNT FOR CSR

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

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

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

#### THE PROCESS TO MONITOR SUCH PROJECTS OR PROGRAMS

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

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

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

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

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

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

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

#### THE PROCEDURES

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

#### PLANNING AND IMPLEMENTATION

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

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

#### REVIEW AND REPORTING

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

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

#### AMENDMENTS TO THE POLICY

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

## Annexure-VII

## ANNUAL REPORT ON CSR ACTIVITIES

- Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website [www.gallanttt.com](http://www.gallanttt.com)
- Composition of the CSR Committee : Mr. Jyotirindra Nath Dey, Chairman, Mr. Chandra Prakash Agrawal and Mr. Prem Prakash Agrawal
- Average net profit of the Company for the last three financial years: ₹ 2,611.73 Lacs.
- Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 52.23 Lacs.
- Details of CSR spent during the financial year.
  - Total amount to be spent for the financial year : ₹ 55.00 Lacs
  - Amount unspent, if any,: NIL
  - Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2.Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	The company is promoting Education Services for economically weaker sections through GYAN JYOTI EDUCATION FOUNDATION (TRUST)	Promoting Education etc.	Programme is undertaken in the backward area of state of Assam through Trust.	An amount of ₹ 55.00 Lacs has been paid for the educational programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 55.00 Lacs	137.00 Lacs*	Amount has been contributed to the following implementing agency: GYAN JYOTI EDUCATION FOUNDATION (TRUST) for the Financial Year 2016-17. Prakash Tower, 2nd Floor, G. S. Road, Opposite Pallavi Cinema, Guwahati - 781005. Assam. India.

This cumulative expenditure of ₹ 137 Lakh includes contribution of ₹ 55.00 Lakh on CSR activities during last financial year 2016-17.

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

**For CSR Committee, GALLANTT ISPAT LIMITED**

Jyotirindra Nath Dey

Chairman of CSR Committee & Director  
(DIN: 00180925)

Place: Kolkata

Date: 01.08.2017

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To  
The Members,  
**GALLANTT ISPAT LIMITED,**  
1, Crooked Lane, Second Floor,  
Room Nos. 222 & 223,  
Kolkata – 700069.

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gallantt Ispat Limited [CIN: L27109WB2005PLC101650] (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2017, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2017 according to the applicable provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) Applicable provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (d) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 (to the extent applicable)
- vi) Other Laws specifically applicable to the Company as under:
  1. The Air (Prevention and Control of Pollution) Act, 1981
  2. The Water (Prevention and Control of Pollution) Act, 1974
  3. The Environment (Protection) Act, 1986
  4. The Factories Act, 1948
  5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
  6. Employees' State Insurance Act, 1948
  7. Equal Remuneration Act, 1976
  8. The Minimum Wages Act, 1948
  9. The Payment of Wages Act, 1936
  10. The Payment of Bonus Act, 1965

11. The Legal Metrology Act, 2009
12. The Maternity Benefit Act, 1961 and
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(vi) **We further report that** with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department:

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

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

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

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

We further report that:

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

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

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

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

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

- i. Public/Right/Preferential issue of shares / debentures/sweat equity;
- ii. Redemption / buy-back of securities;
- iii. Foreign technical collaborations.

We further report that during the audit period:

- i. Company has acquired eight Wholly Owned Subsidiaries viz. Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited.
- ii. In accordance with the provisions of Section 233 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 Board of Directors of the Company has approved amalgamation of eight Wholly Owned Subsidiaries with the Company.

We further report that during the audit year the Company has sought the approval of its members for:

- Amalgamation of Wholly Owned Subsidiaries with the Company.

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

Place: Kolkata  
Date: 01.08.2017

**Anurag Fatehpuria**  
**Company Secretary**  
**ACS 34471; CP No. 12855**

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

**Annexure A**

**To**

The Members,

**GALLANTT ISPAT LIMITED**

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

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

- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.
- g. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2017 but before issue of the Report.

Place: Kolkata  
Date: 01.08.2017

**Anurag Fatehpuria**  
**Company Secretary**  
**ACS 34471; CP No. 12855**

## Annexure - IX

## FORM NO. AOC.1

**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of  
Companies (Accounts) Rules, 2014)**

## Part "A": Subsidiaries

(₹ in Lakhs)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turn over	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of share holding
1.	Shikharji Rolling Mills Private Limited	Same Reporting Period 31.03.2017	In INR	2.80	88.22	91.02	91.02	89.15	0.11	0.00	0.00	0.00	NIL	100
2.	Shikharji Steel & Agro Products Private Limited	Same Reporting Period 31.03.2017	In INR	2.80	88.22	91.02	91.02	89.15	0.10	0.00	0.00	0.00	NIL	100
3.	Bhavika Steel Agencies Private Limited	Same Reporting Period 31.03.2017	In INR	2.80	88.22	91.03	91.03	89.99	0.13	0.00	0.00	0.00	NIL	100
4.	Shrinu Agro Private Limited	Same Reporting Period 31.03.2017	In INR	1.00	1.60	3.52	3.52	2.50	2.98	2.67	0.92	1.75	NIL	100
5.	Shrinu Steel Works Private Limited	Same Reporting Period 31.03.2017	In INR	1.00	1.59	3.49	3.49	2.50	2.90	2.63	0.89	1.73	NIL	100
6.	Gyanika Flour Mills Private Limited	Same Reporting Period 31.03.2017	In INR	2.48	72.54	75.02	75.02	73.65	0.11	0.00	0.00	0.00	NIL	100
7.	Satlaj Ispat Private Limited	Same Reporting Period 31.03.2017	In INR	2.50	73.52	76.02	76.02	37.30	0.11	0.00	0.00	0.00	NIL	100
8.	Satlaj Flour Mills Private Limited	Same Reporting Period 31.03.2017	In INR	2.50	73.52	76.02	76.02	37.30	0.12	0.00	0.00	0.00	NIL	100



**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to**  
**Associate Companies and Joint Ventures**

<b>Name of Associate</b>	<b>Gallantt Metal Limited</b>
<b>1. Latest audited Balance Sheet Date</b>	31.03.2017
<b>2. Shares of Associate held by the company on 31.03.2017</b>	
No.	3,94,62,895
Amount of Investment in Associate	42,67,98,403
Extend of Holding %	48.527
<b>3. Description of how there is significant influence</b>	By way of Ownership
<b>4. Reason why the associate/joint venture is not consolidated</b>	Consolidated
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	1,36,60,41,690
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	13,15,19,012
i. Not Considered in Consolidation	13,95,06,003

As per our report of even date

**For ANOOP AGARWAL & CO.**

Chartered Accountants

FRN. 001739C

**(C.P. Agrawal)**

Chairman & Managing Director

**(S.K. Agrawal)**

Whole time Director

**(Amit Kumar Srivastava)**

Partner

Place : Kolkata

Membership No. 517195

Date. - 04.05.2017

**(Amit Jalan)**

Chief Financial officer

**(Nitesh Kumar)**

Company Secretary

## ANNEXURE-X

## FORM NO. MGT-9

**Extract of Annual Return** as on the financial period ended on 31st March 2016.

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

S.N.	CIN	L27109WB2005PLC101650
1	Registration Date	11/02/2005
2	Name of the Company	GALLANTT ISPAT LIMITED
3	Category /Sub-Category of the Company	Public Company limited by Shares/Indian Non-Government Company
4	Address	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069. Telefax: 033-40642189
5	Whether listed Company	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	Registrars & Share Transfer Agents Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001 Ph.: 033-22357270/7271/3070/2234 Fax: 033-22156823

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of Main Product /Services	NIC Code of the Product	% to total turnover of the Company
1.	Steel	2410	68.42
2.	Agro	1061	15.50
3.	Power	3510	11.84

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. N.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1.	Shikharji Rolling Mills Private Limited	U28100WB2010PTC143585	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
2.	Shikharji Steel & Agro Products Private Limited	U28100WB2010PTC143499	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
3.	Bhavika Steel Agencies Private Limited	U28100WB2010PTC143406	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
4.	Shrinu Agro Private Limited	U15100WB2009PTC138524	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
5.	Shrinu Steel Works Private Limited	U28100WB2010PTC141268	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
6.	Gyanika Flour Mills Private Limited	U15100WB2010PTC143809	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
7.	Satlaj Ispat Private Limited	U28100WB2010PTC143811	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
8.	Satlaj Flour Mills Private Limited	U15100WB2010PTC143610	Wholly Owned Subsidiary	100.00	Section 2(87) of the Companies Act, 2013
9.	Gallantt Metal Limited	L27109WB2005PLC101553	Associate	25.68	Section 2(6) of the Companies Act, 2013

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>PROMOTERS</b>									
(1)	Indian									
	a) Individual / HUF	10422047	0	10422047	36.910	10845378	0	10845378	38.410	1.499
	b) Central Government									
	c) State Government									
	d) Bodies Corporate	7251992	0	7251992	25.683	7251992	0	7251992	25.683	0.000
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	17674039	0	17674039	62.594	18097370	0	18097370	64.093	1.499
(2)	Foreign									
	a) NRIs - Individuals									
	b) Other - Individuals									
	c) Bodies Corporate									
	d) Banks / Financial Institutions									
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	17674039	0	17674039	62.594	18097370	0	18097370	64.093	1.499
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	Institutions									
	a) Mutual Funds									
	b) Banks / Financial Institutions	100	0	100	0.000	201	0	201	0.001	0.001
	c) Central Governments									
	d) State Governments									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) Foreign Institutional Investors (FII)	7750	0	7750	0.027					-0.027
	h) Foreign Venture Capital Funds									
	i) Others (Specify)									
	FPI - Corporate Cat-II					44347	0	44347	0.157	0.157
	Sub-total (B)(1)	7850	0	7850	0.028	44548	0	44548	0.158	0.130
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	8792841	0	8792841	31.140	9086805	0	9086805	32.182	1.042
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	92357	7	92364	0.327	92758	7	92765	0.329	0.002

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1	648446	0	648446	2.297	184998	0	184998	0.655	-1.642
c) Others Specify									
1. NRI	949503	0	949503	3.363	714905	0	714905	2.532	-0.831
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	71029	0	71029	0.252	14681	0	14681	0.052	-0.200
5. Trusts									
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	10554176	7	10554183	37.378	10094147	7	10094154	35.749	-1.629
Total Public Shareholding (B) = (B)(1)+(B)(2)	10562026	7	10562033	37.406	10138695	7	10138702	35.907	-1.499
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>28236065</b>	<b>7</b>	<b>28236072</b>	<b>100.000</b>	<b>28236065</b>	<b>7</b>	<b>28236072</b>	<b>100.000</b>	<b>0.000</b>

#### B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ASHUTOSH AGARWAL	134252	0.475	0.000	262167	0.928	0.000	0.453
2	CHANDNI AGRAWAL	12083	0.043	0.000	12083	0.043	0.000	0.000
3	CHANDRA PRAKASH AGARWAL	4936088	17.481	0.000	5234004	18.537	0.000	1.056
4	CHANDRA PRAKASH AGRAWAL HUF	761250	2.696	0.000	761250	2.696	0.000	0.000
5	GALLANTT METAL LIMITED	7251992	25.683	0.000	7251992	25.683	0.000	0.000
6	MADHU AGARWAL	352145	1.247	0.000	352145	1.247	0.000	0.000
7	MAYANK AGARWAL	692937	2.454	0.000	692937	2.454	0.000	0.000
8	NITIN MAHAVIR KANDOI	50000	0.177	0.000	47500	0.168	0.000	-0.009
9	PREM PRAKASH AGARWAL	314303	1.113	0.000	314303	1.113	0.000	0.000
10	PREM PRAKASH AGRAWAL HUF	596935	2.114	0.000	596935	2.114	0.000	0.000
11	SANTOSH KUMAR AGARWAL	219708	0.778	0.000	219708	0.778	0.000	0.000
12	SANTOSH KUMAR AGRAWAL HUF	596717	2.113	0.000	596717	2.113	0.000	0.000
13	SHYAMA AGRAWAL	535303	1.896	0.000	535303	1.896	0.000	0.000
14	SMRITI AGARWAL	80745	0.286	0.000	80745	0.286	0.000	0.000
15	UMA AGARWAL	1139581	4.036	0.000	1139581	4.036	0.000	0.000
	<b>TOTAL</b>	<b>17674039</b>	<b>62.594</b>	<b>0.000</b>	<b>18097370</b>	<b>64.093</b>	<b>0.000</b>	<b>1.499</b>

### C. Change in Promoter's Shareholding

SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHUTOSH AGARWAL				
	a) At the Beginning of the Year	134252	0.475		
	b) Changes during the year				
	Date Reason				
	13/01/2017 Transfer	127915	0.453	262167	0.928
	c) At the End of the Year			262167	0.928
2	CHANDNI AGRAWAL				
	a) At the Beginning of the Year	12083	0.043		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			12083	0.043
3	CHANDRA PRAKASH AGARWAL				
	a) At the Beginning of the Year	4936088	17.481		
	b) Changes during the year				
	Date Reason				
	13/01/2017 Transfer	297916	1.055	5234004	18.537
	c) At the End of the Year			5234004	18.537
4	CHANDRA PRAKASH AGRAWAL HUF				
	a) At the Beginning of the Year	761250	2.696		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			761250	2.696
5	GALLANTT METAL LIMITED				
	a) At the Beginning of the Year	7251992	25.683		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			7251992	25.683
6	MADHU AGARWAL				
	a) At the Beginning of the Year	352145	1.247		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			352145	1.247
7	MAYANK AGARWAL				
	a) At the Beginning of the Year	692937	2.454		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			692937	2.454
8	NITIN MAHAVIR KANDOI				
	a) At the Beginning of the Year	50000	0.177		
	b) Changes during the year				
	Date Reason				
	22/04/2016 Transfer	-2500	0.009	47500	0.168
	c) At the End of the Year			47500	0.168
9	PREM PRAKASH AGARWAL				
	a) At the Beginning of the Year	314303	1.113		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			314303	1.113
10	PREM PRAKASH AGRAWAL HUF				
	a) At the Beginning of the Year	596935	2.114		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			596935	2.114
11	SANTOSH KUMAR AGARWAL				
	a) At the Beginning of the Year	219708	0.778		

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			219708	0.778
12	SANTOSH KUMAR AGRAWAL HUF				
	a) At the Beginning of the Year	596717	2.113		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			596717	2.113
13	SHYAMA AGRAWAL				
	a) At the Beginning of the Year	535303	1.896		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			535303	1.896
14	SMRITI AGARWAL				
	a) At the Beginning of the Year	80745	0.286		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			80745	0.286
15	UMA AGARWAL				
	a) At the Beginning of the Year	1139581	4.036		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1139581	4.036
	<b>TOTAL</b>	<b>17674039</b>	<b>62.594</b>	<b>18097370</b>	<b>64.093</b>

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AAR COMMERCIAL COMPANY LIMITED				
	a) At the Beginning of the Year	3186006	11.283		
	b) Changes during the year				
	Date Reason				
	23/09/2016 Transfer	34500	0.122	3220506	11.406
	30/09/2016 Transfer	96510	0.342	3317016	11.747
	07/10/2016 Transfer	12100	0.043	3329116	11.790
	14/10/2016 Transfer	4000	0.014	3333116	11.804
	21/10/2016 Transfer	6964	0.025	3340080	11.829
	28/10/2016 Transfer	3000	0.011	3343080	11.840
	04/11/2016 Transfer	4000	0.014	3347080	11.854
	11/11/2016 Transfer	3126	0.011	3350206	11.865
	18/11/2016 Transfer	19574	0.069	3369780	11.934
	25/11/2016 Transfer	1400	0.005	3371180	11.939
	03/02/2017 Transfer	2000	0.007	3373180	11.946
	31/03/2017 Transfer	17346	0.061	3390526	12.008
	c) At the End of the Year			3390526	12.008
2	CAMELLIA TRADELINK PVT LTD				
	a) At the Beginning of the Year	671870	2.379		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			671870	2.379

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	KHETAN TRACON PRIVATE LIMITED				
	a) At the Beginning of the Year	256913	0.910		
	b) Changes during the year				
	Date Reason				
	15/04/2016 Transfer	-16031	0.057	240882	0.853
	22/07/2016 Transfer	1060	0.004	241942	0.857
	12/08/2016 Transfer	-3900	0.014	238042	0.843
	19/08/2016 Transfer	5500	0.019	243542	0.863
	c) At the End of the Year			243542	0.863
4	MRIGAYA TRADELINK PVT. LTD.				
	a) At the Beginning of the Year	630000	2.231		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			630000	2.231
5	PADMINI VINIMAY PRIVATE LIMITED				
	a) At the Beginning of the Year	262500	0.930		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			262500	0.930
6	SHYAM MANOHAR AGRAWAL				
	a) At the Beginning of the Year	297916	1.055		
	b) Changes during the year				
	Date Reason				
	13/01/2017 Transfer	-297916	1.055	0	0.000
	c) At the End of the Year			0	0.000
7	SUSHEEL KUMAR SARAFF				
	a) At the Beginning of the Year	381274	1.350		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			381274	1.350
8	UTKARSH DEALER PRIVATE LIMITED				
	a) At the Beginning of the Year	626866	2.220		
	b) Changes during the year				
	Date Reason				
	22/04/2016 Transfer	13181	0.047	640047	2.267
	29/04/2016 Transfer	225	0.001	640272	2.268
	06/05/2016 Transfer	-4659	0.017	635613	2.251
	13/05/2016 Transfer	-500	0.002	635113	2.249
	20/05/2016 Transfer	811	0.003	635924	2.252
	27/05/2016 Transfer	14734	0.052	650658	2.304
	03/06/2016 Transfer	419	0.001	651077	2.306
	10/06/2016 Transfer	14393	0.051	665470	2.357
	c) At the End of the Year			665470	2.357
9	VIJAY KUMAR SARAFF				
	a) At the Beginning of the Year	567000	2.008		
	b) Changes during the year				
	Date Reason				
	13/05/2016 Transfer	-1500	0.005	565500	2.003
	20/05/2016 Transfer	-6133	0.022	559367	1.981
	10/06/2016 Transfer	-12299	0.044	547068	1.937
	23/09/2016 Transfer	-99438	0.352	447630	1.585
	30/09/2016 Transfer	-70017	0.248	377613	1.337

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	11/11/2016 Transfer	-2670	0.009	374943	1.328
	18/11/2016 Transfer	-17541	0.062	357402	1.266
	24/03/2017 Transfer	-12555	0.044	344847	1.221
	31/03/2017 Transfer	-12479	0.044	332368	1.177
	c) At the End of the Year			332368	1.177
10	WALLSTREET DISTRIBUTOR PRIVATE LIMITED				
	a) At the Beginning of the Year	1104744	3.913		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1104744	3.913
11	WARNER DEALCOM PRIVATE LIMITED				
	a) At the Beginning of the Year	1359032	4.813		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			1359032	4.813
	<b>TOTAL</b>	<b>9344121</b>	<b>33.093</b>	<b>9041326</b>	<b>32.020</b>

#### Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AMIT JALAN				
	a) At the Beginning of the Year	12	0.000		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			12	0.000
2	CHANDRA PRAKASH AGARWAL				
	a) At the Beginning of the Year	4936088	17.481		
	b) Changes during the year				
	Date Reason				
	13/01/2017 Transfer	297916	1.055	5234004	18.537
	c) At the End of the Year			5234004	18.537
3	MAYANK AGARWAL				
	a) At the Beginning of the Year	692937	2.454		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			692937	2.454
4	NITESH KUMAR				
	a) At the Beginning of the Year	980	0.003		
	b) Changes during the year				
	Date Reason				
	15/04/2016 Transfer	-980	0.003	0	0.000
	c) At the End of the Year			0	0.000
5	NITIN MAHAVIR KANDOI				
	a) At the Beginning of the Year	50000	0.177		
	b) Changes during the year				
	Date Reason				
	22/04/2016 Transfer	-2500	0.009	47500	0.168
	c) At the End of the Year			47500	0.168
6	PREM PRAKASH AGARWAL				
	a) At the Beginning of the Year	314303	1.113		



Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			314303	1.113
7	SANTOSH KUMAR AGARWAL				
	a) At the Beginning of the Year	219708	0.778		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			219708	0.778
	<b>TOTAL</b>	<b>6214028</b>	<b>22.007</b>	<b>6508464</b>	<b>23.050</b>

#### V. INDEBTEDNESS

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

Amount ₹ in lacs

Particulars	Secured Loan excluding Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5,568.95	11,925.05	—	17,494.00
(ii) Interest due but not paid	—	—	—	—
3. Interest accrued but not due	—	—	—	—
<b>Total (1+2+3)</b>	<b>5,568.95</b>	<b>11,925.05</b>	<b>—</b>	<b>17,494.00</b>
Change in Indebtedness during the Financial Year				
• Addition	—	—	—	—
• Reduction	1,065.97	1,551.09	—	2,617.06
Net Change	-1,065.97	-1,551.09	—	-2,617.06
Indebtedness at the end of the financial year				
(i) Principal Amount	4,502.98	10,373.96	—	14,876.94
(ii) Interest due but not paid	—	—	—	—
3. Interest accrued but not due	—	—	—	—
<b>Total (1+2+3)</b>	<b>4,502.98</b>	<b>10,373.96</b>	<b>—</b>	<b>14,876.94</b>

#### VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹ In Lacs)
		Chandra Prakash Agrawal	Prem Prakash Agrawal	Santosh Kumar Agrawal	Nitin M M Kandoi	
<b>1</b>	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15.60	15.60	15.60	15.60	<b>62.40</b>
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	<b>NIL</b>
<b>2</b>	<b>Commission</b>	NIL	NIL	NIL	NIL	<b>NIL</b>
<b>3</b>	<b>Others –Remuneration benefits</b>	NIL	NIL	NIL	NIL	<b>NIL</b>
	<b>Total (A)</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>15.60</b>	<b>62.40</b>

**B. Remuneration to Other Directors (All being Independent)**

S. N.	Particulars of Remuneration	Name of Directors					Total Amount (₹ In Lacs)
		Jyotirindra Nath Dey	Rajesh Kumar Jain	Piyush Kankrania	Sangeeta Upadhyay	Tarun Kumar Gupta	
1	Fees for attending Board/ Committee Meetings	0.28	0.13	0.23	0.08	0.07	0.79
2	Commission	NIL	NIL	NIL	NIL		NIL
3	Others	NIL	NIL	NIL	NIL		NIL

**C. Remuneration to Key Managerial Personnel**

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs. In Lacs)
		Mayank Agrawal	Amit Jalan	Nitesh Kumar	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8.10	6.68	9.00	23.78
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	<b>Others –Remuneration benefits</b>	NIL	NIL	NIL	NIL

**VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YEAR**

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

# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is aimed at creating systems and putting in processes whereby organizations are able to generate long-term wealth and create value for all its stakeholders. Corporate governance essentially involves balancing the interests of a company's stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Transparency, accountability, fairness and responsibility are the four basic tenets of Corporate Governance and Gallantt Ispat Limited believes that fair, transparent and ethical governance practices are sine qua non for the way we do business. Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations / Regulations / LODR Regulations). Your Company confirms compliance to the Corporate Governance requirements as enshrined in the SEBI Regulations, the details of which for the Financial Year ended March 31, 2017 is as set out hereunder:

The composition of the Board as on March 31, 2017 is as follows:

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

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

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

## 2. BOARD OF DIRECTORS

### 2.1 Composition

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

As on March 31, 2017 your Company's Board comprised of 8 Directors (out of which 50% of the Directors are Independent Directors) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Chief Executive Officer of the Company are held by separate individuals.

Agrawal are related to each other as brothers. Also, relatives of these Directors are employed in the Company.

### 2.2 Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website [www.gallantt.com](http://www.gallantt.com).

## 2.3 Meetings and Attendance

During the financial year 2016-17, Ten Board Meetings were held. These were held on 05.04.2016, 03.05.2016, 30.05.2016, 08.08.2016,

29.09.2016, 13.10.2016, 19.01.2017, 03.02.2017, 18.03.2017 and 23.03.2017.

Composition of the Board of Directors, their attendance in the Board Meetings and other particulars as on 31st March, 2017 is as follows:

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 10 meetings held during the year	No. of other directorships in public companies as on 31/03/2017	No. of committee positions held in other public companies as on 31/03/2017	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	Yes	10	1	Nil	Nil
Mr. Santosh Kumar Agrawal, Director Sales & Marketing (DIN: 01045228)	Executive/ Promoter	No	10	Nil	Nil	Nil
Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	Executive / Promoter	No	10	Nil	Nil	Nil
Mr. Nitin M Kandoi Whole-time Director (DIN:01979952)	Executive/Promoter	No	10	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	10	2	1	2
Mr. Rajesh Kumar Jain, Director (DIN: 02113164)*	Non-Executive/ Independent	No	6	Nil	Nil	Nil
Mr. Piyush Kankrania Director (DIN: 05241962)	Non-Executive/ Independent	Yes	9	Nil	Nil	Nil
Mrs. Sangeeta Upadhyay (DIN: 06920195)	Non-Executive/ Independent	No	7	Nil	Nil	Nil
Mr. Tarun Kumar Gupta, Director (DIN: 07767894)**	Non-Executive/ Independent	No	2	Nil	Nil	Nil

\* Mr. Rajesh Kumar Jain has tendered his resignation from the Directorship of the Company effective from October 13, 2016.

\*\* Mr. Tarun Kumar Gupta has been appointed as an Additional Director effective from March 18, 2017.

### Notes:

- Mr. Tarun Kumar Gupta, Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.
- Other Directorships of only Indian Public Limited Companies have been considered.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

- Except Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agarwal who are brothers, no other directors have any inter se relationship.
- None of the Directors hold Chairmanship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten as specified under regulation 26 of SEBI Listing Regulations.

### Separate Meeting of Independent Directors:

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

- Review of performance of non-independent directors and the Board as a whole;

2. Review of performance of the Chairperson of the Company, taking into account the views of the executive and independent directors;
3. Assessment of quality, quantity and timeliness of flow of information between the company management and the Board.

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

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

#### 2.4 Shareholding of Directors

The details of shares held by the Directors of the Company in their individual names as on March 31, 2017 are furnished below:

Sr. No.	Name of Directors	No. of Shares held
1.	Chandra Prakash Agrawal	52,34,004
2.	Mr. Santosh Kumar Agrawal	2,19,708
3.	Mr. Prem Prakash Agrawal	3,14,303
4.	Mr. Nitin M Kandoi	47,500
5.	Jyotirindra Nath Dey	NIL
6.	Mr. Rajesh Kumar Jain	NIL
7.	Mr. Piyush Kankrania	NIL
8.	Mrs. Sangeeta Upadhyay	NIL

#### 2.5 Induction and Familiarization Program for Directors

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

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

The details of familiarisation programme have been posted in the website of the Company [www.gallantt.com](http://www.gallantt.com)

#### 2.6 Independent Directors

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

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration

that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

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

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

#### 2.7 Board Procedures

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

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

The Senior Management Personnel are invited to the Board/ Committee Meetings to apprise and update the members on the items being discussed at the meeting. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access

to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

## 2.8 Information supplied to the Board

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Annual and Quarterly results for the Company
- D. Minutes of meetings of Audit Committee and other Committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions, wherever necessary. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- N. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any .

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

## 2.9 Performance evaluation of Directors

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

### Role & Accountability

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

### Objectivity

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

### Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

### Personal Attributes

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

## 2.10 Non-executive Directors' compensation and disclosures

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

## 2.11 Other Provisions as to Board and Committees

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

### Meeting of Independent Directors

The Independent Directors met informally without the presence of Non-Independent Directors and the management, and discussed, inter alia, on matters pertaining to evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman and Executive Directors. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors, which is necessary for the Board to effectively and reasonably perform their duties etc. The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

Inputs and suggestions received from the Directors were considered at the Board Meeting and are being implemented.

### 3. AUDIT COMMITTEE

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

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

#### 3.1 Composition

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

Mr. Piyush Kankrania, the Chairman – Audit Committee was present at the Annual General Meeting held on September 26, 2016.

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

#### 3.2 Terms of reference

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

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

#### Compliance and other related aspects

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

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

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

#### 3.3 Meetings and Attendance

A total of Nine Audit Committee Meetings were held in the financial year 2016–17. The meetings were held on 05.04.2016, 30.05.2016, 08.08.2016, 29.09.2016, 13.10.2016, 19.01.2017, 03.02.2017, 18.03.2017 and 23.03.2017.

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

Names	Designation	Category	Committee Meeting Attended
Mr. P. Kankrania	Chairman	Independent	9
Mr. J. N. Dey	Member	Independent	9
Mr. R. K. Jain*	Member	Independent	5
Mr. T. K. Gupta*	Member	Independent	2

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

#### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

##### 4.1 Composition

During the year ended 31st March, 2017, the Stakeholders Relationship Committee comprised of Mr. Tarun Kumar Gupta, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

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

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

##### 4.2 Meetings and Attendance

A total of two Stakeholders Relationship Committee Meeting was held in the financial year 2016-17. The meetings were held on 03.05.2016 and 18.03.2017.

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

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

#### 4.3 Status of Complaints

Sl. No.	Particulars	Numbers
1.	Complaints pending as on 1 April, 2016	1
2.	Complaints received during the year ended 31 March, 2017	0
3.	Complaints disposed of during the year ended 31 March, 2017	1
4.	Complaints pending as on 31 March, 2017	0

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

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

#### 5. NOMINATION AND REMUNERATION COMMITTEE

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

##### 5.1 Role of Nomination and Remuneration Committee



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

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

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

### 5.2 Meetings and Attendance

During the year ended 31st March, 2017, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Piyush Kankrانيا and Mr. Tarun Kumar Gupta all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

A total of two Nomination and Remuneration Committee Meeting was held in the financial year 2016-17. The meetings were held on 13.10.2016 and 18.03.2017.

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

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	2
Mr. P. Kankrانيا	Member	Independent	2
Mr. R. K. Jain*	Member	Independent	1
Mr. T. K. Gupta**	Member	Independent	1

### 5.3 Nomination and Remuneration Policy of the Company

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

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

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

### 5.4 Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2017 to Managing/Whole-time Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (₹ In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	15.60
Mr. Prem Prakash Agarwal	Wholetime Director	15.60
Mr. Nitin M Kandoi	Director-Plant Operation	15.60
Mr. Santosh Kumar Agrawal	Director - Sales & Marketing	15.60

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.

### 5.5 Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

### 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of Companies Act, 2013, the Corporate Social Responsibility Committee of

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

## 6.1 Terms of reference

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

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

## 6.2 Meetings and Attendance

The Committee met four (4) times during the financial year ended 31st March, 2017 on 30th May, 2016, 28th August, 2016, 13th October, 2016 and 23rd March, 2017. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2017 is detailed below:

Names	Designation	Details of Meetings held during the F.Y. 2016-17	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	4
Mr. Prem Prakash Agrawal	Member	Independent	4
Mr. Chandra Prakash Agrawal	Member	Independent	4

The Board of Directors of the Company has approved the CSR Policy of the Company on the recommendations of the CSR Committee. The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company [www.gallantt.com](http://www.gallantt.com).

## 7. SUBSIDIARY COMPANIES

During the Year Company has disposed off shareholding in Shree Surabhi Wheat Products Private Limited (**Surabhi Wheat**) and Shree Surabhi Flour Mills Private Limited (**Surabhi Flour**), Subsidiaries of the Company.

During the Year Company has acquired eight wholly owned subsidiaries through acquisition of entire shareholding of these eight subsidiaries. These are Shikharji Rolling Mills Private Limited, Shikharji Steel & Agro Products Private Limited, Bhavika Steel Agencies Private Limited, Shrinu Agro Private Limited, Shrinu Steel Works Private Limited, Gyanika Flour Mills Private Limited, Satlaj Ispat Private Limited and Satlaj Flour Mills Private Limited.

Consequent upon acquisition of 100% shareholding in these eight entities, these Companies became wholly owned subsidiaries of the Company. Your Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any material unlisted subsidiary.

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

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

The Company does not have any material non-listed Indian Subsidiary Company.

## 8. RISK MANAGEMENT

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

Your company has identified the following risks:

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

## 9. RELATED PARTY TRANSACTIONS

In terms of the Accounting Standard-18 "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 31 to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval. There is no materially significant related party transaction during the financial year ended March 31 2017.

None of the related party transactions entered into by the Company were in conflict with the

Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

## 10. DISCLOSURES

### 10.1 Related Party Transactions

The policy on Related Party Transactions is hosted on the website of the Company [www.gallantt.com](http://www.gallantt.com)

### 10.2 Compliances by the Company

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

### 10.3 Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at [www.gallantt.com](http://www.gallantt.com).

### 10.4 Prevention of Insider Trading Code

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

In order to regulate trading in securities of the Company by the Directors and designated employees, your Company has adopted a Code of Conduct for trading in listed or proposed to be listed securities of your Company.

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

### 10.5 Disclosure of Accounting Treatment

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

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

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

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

Details of payment of Sitting Fee for the year 2016-17 are as follows:

Name of Director	Sitting Fees
Mr. Jyotindra Nath Dey	28,000
Mr. Rajesh Kumar Jain	13,000
Mr. Piyush Kankrania	23,000
Mrs. Sangeeta Upadhyay	8,000
Mr. Tarun Kumar Gupta	7,000
<b>TOTAL</b>	<b>79,000</b>

### 10.7 Management

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

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

### 10.8 CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI Listing Regulations and that the certificate forms part of the Annual Report.

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

The Company complies with the following non-mandatory requirements:

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

### 10.10 Whistle Blower Policy

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

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

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

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

### 10.12 Shareholders

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

## 11. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 12. GENERAL SHAREHOLDER INFORMATION

**12.1 Disclosure regarding appointment or re-appointment of Directors:** Brief profile of the Directors seeking appointment or re-appointment is annexed to the Notice convening the 13th

Annual General Meeting forming part of this Annual Report.

### 12.2 Means of Communication:

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

### 12.3 Date, Time and Venue of 13th AGM

Tuesday, 26th September, 2017 at 2.00 P.M. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.**

### 12.4 Financial Year

The Financial Year is for 12 (twelve) months from April 1, 2016 to March 31, 2017.

## 12.5 General Body Meetings

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

Year	Venue	Date	Time
2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2016	2.00 P.M.
2015	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	28.09.2015	11.00 A.M.
2014	RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091	09.09.2014	11.30 A.M.

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

AGM	AGM DATE	SPECIAL RESOLUTION PASSED
2016	26.09.2016	No Special Resolution passed.
2015	28.09.2015	No Special Resolution passed.
2014	09.09.2014	1. Approval of borrowing limits of the Company 2. Creation of Charge on the assets of the Company 3. Adoption of New set of Articles of Association of the Company. 4. Appointment of Mrs. Madhu Agrawal as Senior Executive (Office Administration-Works)

## 12.5 Extraordinary General Meeting

No Extra-ordinary General Meeting of the members was held during the financial year.

## 12.6 Postal Ballot

There was no Special Resolution passed through Postal Ballot during the financial year 2016- 2017.

## 12.7 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

## 12.8 Financial Calendar – 2016-2017

Adoption of Quarterly/ Annual Results for the quarter/period ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2016 (Quarterly Results)	30.05.2016	01.06.2016	Business Standard (English) - All Editions and Ekdin (Bengali)
June 30, 2016 (Quarterly Results)	08.08.2016	09.08.2016	Business Standard (English) - All Editions and Ekdin (Bengali)
September 30, 2016 (Quarterly Results)	13.10.2016	14.10.2016	Business Standard (English) - All Editions and Ekdin (Bengali)
December 31, 2016 (Quarterly Results)	19.01.2017	20.01.2017	Business Standard (English) - All Editions and Ekdin (Bengali)
March 31, 2017 (Annual Results)	04.05.2017	05.05.2017	Business Standard (English) - All Editions and Ekdin (Bengali)

## 12.9 Tentative Calendar for Financial Year ending March 31, 2018

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

S. No.	Particulars of Quarter	Tentative dates
1	First Quarter Results	In or before the Second week of September 2017.
2	Second Quarter & Half Yearly Results	In or before the Second week of December 2017.
3	Third Quarter & Nine-months Results	In or before the Second Week of February 2018.
4	Fourth Quarter & Annual Results	In or before the Second week of May 2018.

## 12.10 Dividend payment date:

The Board of Directors at their Meeting held on May 04, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 0.50/- per share, on equity shares of the Company for the Financial Year 2016-17. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 19, 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2017.

### Dividend History for the last 10 financial years

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

Sr. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share	Dividend Amount
1	2015-16	March 17, 2016 (Interim)	Re. 1/- (Rupee One only)	₹ 2,82,36,072.00
2	2014-15	28.09.2015	Re. 1/- (Rupee One only)	₹ 2,82,36,072.00
3	2013-14	09.09.2014	Re. 0.50/- (Paise Fifty only)	₹ 1,46,33,252.50
4	2012-13	19.09.2013	Re. 0.50/- (Paise Fifty only)	₹ 1,46,33,252.50
5	2011-12	25.09.2012	Re. 0.50/- (Paise Fifty only)	₹ 1,33,83,252.50
6	2010-11	28.09.2011	Re. 0.50/- (Paise Fifty only)	₹ 1,33,83,252.50
7	2009-10	No Dividend Declared	Nil	Nil
8	2008-09	No Dividend Declared	Nil	Nil
9	2007-08	No Dividend Declared	Nil	Nil
10	2006-07	No Dividend Declared	Nil	Nil

### 12.11 Listing on Stock Exchanges

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

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street

Mumbai - 400 001.

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block

Bandra Kurla Complex, Bandra (E)

Mumbai - 400 051.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2017-18 have been paid.

### 12.12 Name of Depositories for dematerialisation of equity shares

Name of the depository	
National Securities Depository Limited (NSDL)	INE528K01011
Central Depository Services (India) Limited (CDSL)	INE528K01011

### The equity shares are quoted under the following Codes

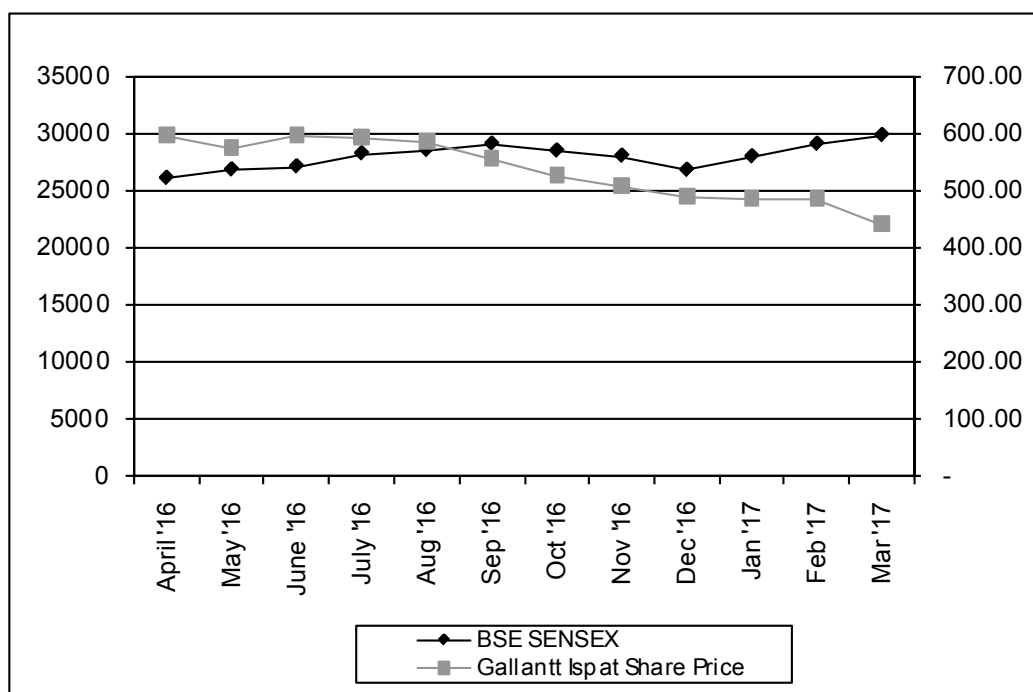
Stock Exchanges	
BSE Limited, Mumbai (BSE)	533265
National Stock Exchange of India Limited, Mumbai (NSE)	GALLISPAT

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

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2016-17.

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr-16	500.00	647.00	500.00	596.00	480.00	648.60	480.00	595.95
May-16	596.50	690.00	550.00	573.20	595.50	654.50	557.50	573.30
Jun-16	573.10	600.60	571.00	595.50	573.15	601.30	571.00	595.45
Jul-16	595.70	598.20	578.50	590.75	595.70	601.25	578.60	590.80
Aug-16	590.90	601.25	572.50	583.80	590.90	601.90	502.55	583.70
Sep-16	584.00	625.00	535.00	554.95	583.80	586.50	531.20	663.00
Oct-16	554.70	555.15	500.00	525.50	554.75	555.85	500.00	524.30
Nov-16	524.80	538.00	431.00	507.05	524.80	544.35	433.90	507.05
Dec-16	507.30	507.70	485.00	489.55	507.30	507.75	484.85	489.60
Jan-17	489.10	510.35	468.85	484.55	489.40	525.00	461.10	484.60
Feb-17	484.90	489.20	481.35	484.70	484.90	504.90	482.25	485.45
Mar-17	485.50	493.00	408.00	440.40	485.40	539.00	405.00	408.55

### 12.13 Performance in comparison with BSE Sensex – April, 2016 to March, 2017



### 12.14 Compliance Certificate

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

### 12.15 Means of Communication:

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

Information like quarterly / half yearly / annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members. In terms of Regulation 47 of the Listing Regulations the quarterly / half-yearly / annual financial results are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at [www.gallantt.com](http://www.gallantt.com).

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

### 12.16 Compliance Officer

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

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

### 12.17 Registered Office

1, Crooked Lane, Second Floor,  
Kolkata- 700 069.  
Telfax:- +91-33-40642189  
Website: [gallantt.com](http://gallantt.com)  
E-mail: [nitesh@gallantt.com](mailto:nitesh@gallantt.com)



**12.18 Works Office**

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

**12.19 Registrar and Share Transfer Agent**

Share transfers in physical form and other communication regarding share Transfer, certificates, dividends, change of address, etc. may be addressed to:

NICHE TECHNOLOGIES PVT. LTD.  
 D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001  
 Phone Nos.: +91-33-22357270/7271/3070/2234  
 Fax No.: +91-33-22156823  
 Contact Person: Mr. S. Abbas  
 E-mail: nichetechpl@nichetechpl.com  
 Web-site: www. nichetechpl.com

**12.20 Dividend**

The Board of Directors at their Meeting held on May 04, 2017, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 0.50/- per share, on equity shares of the Company for the Financial Year 2016-17. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2017 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 19, 2017 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2017.

**12.21 Share Transfer System:**

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

**12.22 Dematerialisation of Shares and Liquidity:**

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 100.00% (approx.) of Equity Shares have been dematerialized as on 31st March, 2017.

**12.23 Distribution of Shareholding**

The distribution of shareholding as on 31st March, 2017 was as follows

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	1054	93.9394	55,263	0.1957
501-1,000	14	1.2478	11,123	0.0394
1,001-5,000	12	1.0695	24,033	0.0851
5,001-10,000	7	0.6239	50,606	0.1792
10,001-50,000	7	0.6239	2,04,152	0.7230
50,001-1,00,000	2	0.1783	1,68,477	0.5967
1,00,001 and Above	26	2.3173	2,77,22,418	98.1809
<b>TOTAL</b>	<b>1122</b>	<b>100.00</b>	<b>2,82,36,072</b>	<b>100.00</b>

## 12.24 Categories of shareholding as on 31st March, 2017

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
<b>PROMOTERS' HOLDING:</b>		
Promoters	1,80,97,370	64.093
<b>Total Promoters' Holding</b>	<b>1,80,97,370</b>	<b>64.093</b>
<b>PUBLIC SHAREHOLDING:</b>		
<b>Institutional Investors</b>		
Financial Institution/Bank	201	0.00
Financial Institution Investor	44,347	0.157
<b>Others</b>		
Bodies Corporate	90,86,805	32.182
Individuals	2,77,763	0.984
NRI/OCBs	7,14,905	2.532
Clearing Memb/Clearing Cor (Demat shares in transit)	14,681	0.0052
<b>Total Public Shareholding</b>	<b>1,01,38,702</b>	<b>35.907</b>
<b>GRAND TOTAL</b>	<b>2,82,36,072</b>	<b>100</b>

## 12.25 Green Initiative

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

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

## 12.26 Corporate Identity Number (CIN):

L27109WB2005PLC101650

## 12.27 Investor's Correspondence

For investor matters:

Nitesh Kumar

Company Secretary and Compliance Officer

Secretarial Department

Gallantt Ispat Limited

1, Crooked Lane, Second Floor,

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

Telefax:- +91-33-40642189

## 12.28 Web Links in terms of Regulation 46 of SEBI Listing Regulations

Policy for determining Material Subsidiaries:

[http://www.gallantt.com/uploads/1454671647\\_policy-for-determining-material-subsidiaries.pdf](http://www.gallantt.com/uploads/1454671647_policy-for-determining-material-subsidiaries.pdf)

Policy on Related Party Transactions:

[http://www.gallantt.com/uploads/1427720283\\_PMDRPT.pdf](http://www.gallantt.com/uploads/1427720283_PMDRPT.pdf)

Familiarization program for Independent Directors:

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

Other Code and Policies:

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

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

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

The Company complies with the following non-mandatory requirements:

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

**For and on Behalf of the Board**

Place: Kolkata

Date: August 01, 2017

**C. P. Agrawal**

*Chairman*

**DECLARATION**

As per regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended March 31, 2017.

Kolkata

August 01, 2017

**C. P. Agrawal**

Chairman and Managing Director

**Mayank Agrawal**

Chief Executive Officer

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

1. We have examined the compliance of conditions of Corporate Governance by Gallantt Ispat Limited ("the Company") for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations, 2015"]/Clause 49 of the Listing Agreements of the Company with stock exchanges in India (as applicable).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the fifteen months ended March 31, 2017.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Anoop Agrawal & Co.**  
Chartered Accountants

**Amit Kumar Srivastava**  
Partner

Date: 01.08.2017

Place: Kolkata

Membership No. 517195

**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 2016-17 – Certificate by CEO and CFO**

We, Mayank Agrawal, CEO and Mr. Amit Jalan, Chief Financial Officer of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting. We have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified, or informed to the auditors and the Audit Committee.
5. During the year it was disclosed to the Auditors and the Audit Committee that:
  - (1) There were no significant changes in internal control over financial reporting;
  - (2) No significant changes in accounting policies were made during the year except for change in the accounting policy on revaluation of certain fixed assets; and
  - (3) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Kolkata  
August 01, 2017

**Amit Jalan**  
Chief Financial Officer

**Mayank Agrawal**  
Chief Executive Officer

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## FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT on Standalone Financial Statements

## Report on the financial statements

We have audited the accompanying financial statements of GALLANTT ISPAT LIMITED ('The Company'), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles Generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017;
- in the case of the Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

## Report on other legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that :
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no. 41 & 42 regarding recognition of freight subsidy of ₹ 3223.77 lacs which is subject to decision of honorable High Court and in case decision comes against the Co. the profit for the year will be reduced by ₹ 3223.77 lacs.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by clause d of Rule 11 of Companies (Audit and Auditors) Rules, 2014, we report that Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016, and these are in accordance with the books of accounts maintained by the company. Refer Note No – 38b.

**For Anoop Agarwal & Co.**  
Chartered Accountants  
Firm Reg. no. 001739C  
**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195

Place: Kolkata  
Dated: 04.05.2017

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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

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

Statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount involved (₹ in Lakh)
UP VAT ACT 2008	VAT	Government of Uttar Pradesh	August 2011 to March 2017	8801.58 (Refer Note no. 39)

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, Government or dues to debenture holders. There were no debenture holders at any time during the year.
9. In our opinion and according to the information and explanations given to us, the Company has

6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate and complete.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

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

not raised moneys by way of Initial Public offer or further public offer or new term loans during the year. However, the term loans outstanding at the beginning of the year have been applied for the purpose for which the loans were raised.

10. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company by its officers or employees during the



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

year was noticed or reported, nor have we been informed of such case by the management.

11. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of

shares, or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with him.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Anoop Agarwal & Co.**  
*Chartered Accountants*  
Firm Reg. No. 001739C  
**(Amit Kumar Srivastava)**  
*Partner*  
Membership No. 517195

Place: Kolkata  
Dated: 04.05.2017

## Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of GALLANTT ISPAT LIMITED ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Anoop Agarwal & Co.**  
Chartered Accountants  
Firm Reg. No. 001739C  
**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195

Place: Kolkata  
Dated: 04.05.2017

# Balance Sheet as at 31st March, 2017

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>A. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	2	2,823.61	2,823.61
Reserves & Surplus	3	36,623.18	32,369.21
<b>Sub Total</b>		<b>39,446.79</b>	<b>35,192.82</b>
<b>2 Non Current Liabilities</b>			
Long Term Borrowings	4	—	—
Deferred Tax Liability	5	2,685.40	2,504.94
Other Long Term Borrowings	6	10,373.96	8,791.40
<b>Sub Total</b>		<b>13,059.36</b>	<b>11,296.34</b>
<b>3 Current Liabilities</b>			
Short Term Borrowings	7	4,502.98	8,697.21
Trade Payables	8	826.95	1,404.14
Other Current Liabilities	9	14,787.98	10,258.40
Short Term Provisions	10	188.12	11.89
<b>Sub Total</b>		<b>20,306.03</b>	<b>20,371.64</b>
<b>TOTAL</b>		<b>72,812.18</b>	<b>66,860.80</b>
<b>B ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	22,340.37	24,809.42
Intangible Assets	12	0.20	0.20
Capital Work in Progress		10,936.10	2,297.51
Non Current Investments	13	4,769.88	7,930.18
Long Term Loans and Advances	14	0.87	33.10
<b>Sub Total</b>		<b>38,047.42</b>	<b>35,070.41</b>
<b>2 Current Assets</b>			
Inventories	15	5,089.39	4,868.69
Trade Receivables	16	2,018.64	3,867.81
Cash and Cash Equivalents	17	337.54	520.90
Short Term Loans and Advances	18	27,319.19	22,532.99
<b>Sub Total</b>		<b>34,764.76</b>	<b>31,790.39</b>
<b>TOTAL</b>		<b>72,812.18</b>	<b>66,860.80</b>
Notes forming part of Financial Statements			

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

# Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in lacs)

**GALANIT**

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Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. REVENUE</b>			
Revenue from Operations	20	42,470.61	53,475.85
Other Income	21	37.24	20.36
<b>Total (A)</b>		<b>42,507.85</b>	<b>53,496.21</b>
<b>EXPENSES</b>			
Changes in Inventories of Finished Goods	22	846.66	(315.35)
Cost of Materials consumed	23	29,121.05	40,903.50
Employee Benefit Expenses	24	971.61	640.33
Financial Cost	25	423.53	761.72
Depreciation and Amortization Expenses	26	1,240.86	1,390.50
Other Expenses	27	6,289.97	7,013.34
<b>Total (B)</b>		<b>38,893.68</b>	<b>50,394.04</b>
<b>Profit before Exceptional &amp; Extraordinary Items And Tax (A)-(B)</b>		<b>3,614.17</b>	<b>3,102.16</b>
Less: Preliminary Exp. w/o		—	(0.20)
Less: Prior Period Items		(24.60)	(3.29)
Add: Exceptional & Extraordinary Items (Profit on Sale of Assets / Shares)		1,015.60	—
<b>Profit before Tax</b>		<b>4,605.17</b>	<b>3,098.67</b>
<b>Tax Expense</b>			
- Current Tax		982.82	661.31
- Less: Mat Credit		(982.82)	(661.31)
- Deferred Tax		180.46	239.67
<b>Total Tax</b>		<b>180.46</b>	<b>239.67</b>
<b>Profit for the year</b>		<b>4,424.71</b>	<b>2,859.00</b>
<b>Earning per Share</b>			
Basic (Rs.)		15.67	10.13
Diluted (Rs.)		15.67	10.13
Notes forming part of Financial Statements			

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

# Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	4,605.17	3,098.67
Add:		
- Depreciation	1,240.86	1,390.50
- Interest Paid	423.53	761.72
- Misc. Expenditure Written Off during the year	—	0.20
- Loss on sale of Assets	—	7.00
	<b>6,269.56</b>	<b>5,258.09</b>
Less: Profit on sale of Assets	959.60	—
Less: Income Tax Paid	964.62	649.41
<b>Cash Flow from Operating Activities before Working Capital changes</b>	<b>4,345.34</b>	<b>4,608.68</b>
<b>Changes in Working Capital</b>		
- Change in Inventories	(220.70)	213.65
- Change in Trade receivables	1,849.17	612.94
- Change in Short Term Loans & Advances	(3,803.38)	(4,081.96)
- Change in Short Term Borrowings	(4,194.23)	3,098.47
- Change in Trade Payables	(577.19)	(103.14)
- Change in Other Current Liabilities	4,529.58	705.34
- Change in Short Term Provisions	(11.89)	(388.75)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>1,916.70</b>	<b>4,665.23</b>
<b>B Cash Flow from Investing Activities</b>		
Change in Fixed Assets	2,186.96	344.70
Changes in Investment	3,160.30	(4,000.00)
Change in Capital WIP	(8,638.59)	(1,515.96)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,291.33)</b>	<b>(5,171.26)</b>

# Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>C Cash Flow from Financing Activities</b>		
Interest Paid	(423.53)	(761.72)
Dividend Paid	—	(339.84)
Change in Long Term Loans & Advances	32.23	4.35
Change in Long Term Borrowing	—	(450.00)
Change in Other Long Term Borrowing	1,582.56	1,627.16
<b>Net Cash Flow from Financing Activities (C)</b>	<b>1,191.26</b>	<b>79.95</b>
Net Cash Inflow / (Outflow)- (A to C)	(183.37)	(426.08)
Add: Opening Balance of Cash & Cash Equivalent	520.91	946.98
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>337.54</b>	<b>520.90</b>
<b>Cash &amp; Cash Equivalent comprises of</b>		
(i) Cash in hand	24.39	215.55
(ii) Balance with Banks		
- Fixed deposits with Banks	106.41	172.57
- Balance with Banks	206.74	132.78
<b>Total</b>	<b>337.54</b>	<b>520.90</b>

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

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# Notes to the Financial Statements as at and for the year ended 31st March, 2017

## Corporate Information

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

## Note 1: Significant Accounting Policies

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

#### a) Nature of Operation

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

#### b) Accounting Concepts & Basis of Presentation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. GAAP comprises mandatory accounting standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, the provisions of the Act, 2013 / the Act 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### c) Use of Estimates

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

### 2) Valuation of Inventories (AS-2)

- a) Stock of Raw Materials, Stores and spare parts are valued at cost. Costs of Inventories are ascertained on FIFO basis.
- b) Stock of Finished goods and semi-finished goods are valued at cost or net realizable value whichever is lower.
- c) Waste and scraps are accounted at estimated realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges

### 3) Cash Flow Statement (AS – 3)

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

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

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

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

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

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

### 6) Depreciation (AS – 6)

Depreciation is systematically allocated over the useful life of an asset as specified in part C of

# Notes to the Financial Statements as at and for the year ended 31st March, 2017

schedule II of Companies Act 2013. In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

## 7) Revenue Recognition (AS -9)

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

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

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

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

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

- a) Transactions denominated in foreign currencies are normally recorded at the exchange rates prevailing at the time of the transactions.

- b) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account. However, in case of long term liabilities, where they relate to acquisition of fixed assets, the income or expense on account of exchange difference is adjusted to the carrying cost of such assets.

## 10) Accounting For Investments (AS – 13)

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

## 11) Employee Benefits (AS – 15)

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) The Company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the 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.

## 12) Borrowing Costs (AS – 16)

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

## 13) Segment Reporting (AS – 17)

### a) Identification of Segments

Primary Segment

*Business Segment*

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

Secondary Segment

*Geographical Segment*



# Notes to the Financial Statements as at and for the year ended 31st March, 2017

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

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

## b) Allocation of Common costs

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

## c) Unallocated items

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

## 14) Related Party Disclosures (AS – 18)

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

## 15) Earnings Per Share (AS – 20)

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

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

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

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

## 17) Interim Financial Reporting (AS – 25)

The quarterly financial results are published in

accordance with the requirements of Listing Regulations with stock exchanges.

## 18) Intangible Assets (AS – 26)

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

## 19) Excise Duty, Commercial Tax (U.P. Value Added Tax & Central Sales Tax) & Custom Duty

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

## 20) Consumption of Raw Materials, Stores & Spare Parts Etc.

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

## 21) Service Tax & Cess

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

## 22) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

## 23) Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. An

# Notes to the Financial Statements as at and for the year ended 31st March, 2017

impairment loss is recognized as an expense in the Profit and Loss Account in the year in which an asset is impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

## 24) Prior Period Items

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

## 25) Taxation

- a) Tax expenses comprise of income tax, corporate dividend tax, deferred tax including applicable surcharge and cess.
- b) Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded

when it is estimated that a liability due to disallowances or other matters is probable.

- c) Provision for deferred tax or credit for release thereof is accounted for as ascertained in accordance with principles stated hereinabove.
- d) Tax on distributed profits payable in accordance with the provisions of section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the period.

## 26) Contingent Liabilities (AS – 29)

### Contingent Liabilities

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 as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	2	SHARE CAPITAL	As at 31.03.2017	As at 31.03.2016
		<b>Authorized Share Capital</b>		
		4,65,00,000 Equity Shares of Rs. 10/- each	4,650.00	4,650.00
		(Previous year 4,65,00,000 Equity Shares of Rs.10/- each)		
		<b>Issued, Subscribed and Paip-up Share Capital</b>		
		2,82,36,072 Equity Shares of Rs.10/- each fully paid up	2,823.61	2,823.61

## 2.1 Details of shareholders holding more than 5% shares

Name of Shareholders	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Metal Limited	72,51,992	25.68%	72,51,992	25.68%
Chandra Prakash Agrawal	52,34,004	18.54%	49,36,088	17.48%
AAR Commercial Co. Ltd.	33,90,526	12.01%	31,86,006	11.28%

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

	2016-17	2015-16
Equity Shares at the beginning of the year (No.)	2,82,36,072	2,82,36,072
Equity Shares at the end of the year (No.)	2,82,36,072	2,82,36,072

## 2.3 Disclosure regarding the Shares Issued for consideration other than cash

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

Particulars	No. of shares	Date of Order of H'ble Calcutta High Court
(a) Pursuant to Amalgamation of Gallantt Udyog Ltd with the Company	92,15,159	14-05-2015
<b>Total</b>	<b>92,15,159</b>	

NOTE	3	RESERVES AND SURPLUS	As at 31.03.2017	As at 31.03.2016
		<b>Securities premium account</b>		
		Balance at beginning of the year	17,732.19	17,732.19

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	3	RESERVES AND SURPLUS	As at 31.03.2017	As at 31.03.2016
		<b>Balance at the end of the year</b>	<b>17,732.19</b>	<b>17,732.19</b>
		<b>Amalgamation Reserve</b>		
		Balance at beginning of the year	412.09	412.09
		<b>Balance at the end of the year</b>	<b>412.09</b>	<b>412.09</b>
		<b>General Reserve</b>		
		Balance at beginning of the year	4,998.82	4,998.82
		<b>Balance at the end of the year</b>	<b>4,998.82</b>	<b>4,998.82</b>
		<b>Revaluation Reserve</b>		
		Balance at beginning of the year	10.08	10.90
		<b>Less: Depreciation / Adjustment</b>	<b>0.82</b>	<b>0.82</b>
		<b>Balance at the end of the year</b>	<b>9.27</b>	<b>10.08</b>
		<b>Statutory Reserve</b>		
		Balance at beginning of the year	0.46	0.46
		<b>Balance at the end of the year</b>	<b>0.46</b>	<b>0.46</b>
		<b>Surplus in the statement of Profit and Loss</b>		
		Balance at beginning of the year	9,215.57	6,696.41
		<b>Add: Profit for the year</b>	<b>4,424.70</b>	<b>2,859.00</b>
		<b>Less:</b>		
		Proposed/Interim dividend	141.18	282.36
		Corporate Dividend Tax	28.74	57.48
		<b>Balance at the end of the year</b>	<b>13,470.35</b>	<b>9,215.57</b>
		<b>Total</b>	<b>36,623.18</b>	<b>32,369.21</b>

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# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE 4 LONG TERM BORROWINGS		As at 31.03.2017		As at 31.03.2016	
Secured		Non-Current	Current	Non-Current	Current
Term Loans- From Banks		—	—	—	—
Unsecured		—	—	—	—
Total		—	—	—	—

NOTE 5 DEFFERED TAX LIABILITY		As at 31.03.2017	As at 31.03.2016
Opening Balance		2,504.94	2,265.27
Add: On account of Timing difference in Depreciation		180.46	239.67
Total		2,685.40	2,504.94

NOTE 6 OTHER LONG TERM BORROWINGS		As at 31.03.2017	As at 31.03.2016
Interest free Loan in Lieu of VAT & CST (Refer Note No. 39)		10,373.96	8,791.40
Total		10,373.96	8,791.40

NOTE 7 SHORT TERM BORROWINGS		As at 31.03.2017	As at 31.03.2016
Secured			
Cash Credit From Bank		4,502.98	5,563.56
Unsecured			
Unsecured Loan		—	3,133.65
Total		4,502.98	8,697.21

- 1) Cash credit is secured by Hypothecation of entire current assets of the company (present & future) consisting of Raw Material, SIP, Finished goods, Store & Spares and Book Debts and personal Guarantee of Mr. C.P. Agrawal, Mr. S.K. Agrawal, Mr. P.P. Agrawal and Mr. Nitin M. Kandoi.

NOTE 8 TRADE PAYABLES		As at 31.03.2017	As at 31.03.2016
Trade Payables		826.95	1,404.14
Total		826.95	1,404.14

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

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NOTE	9	OTHER CURRENT LIABILITIES	As at 31.03.2017	As at 31.03.2016
		Other Payables	563.81	763.77
		Advance from Customers	872.14	1,172.24
		Advance against Property	12,135.00	8,015.00
		Excess Cheque Issued	1,217.03	307.39
		<b>Total</b>	<b>14,787.98</b>	<b>10,258.40</b>

NOTE	10	SHORT TERM PROVISIONS	As at 31.03.2017	As at 31.03.2016
		Proposed Dividend	141.18	—
		Corporate Dividend Tax	28.75	—
		Provision for Income Tax (Net of Advance Tax and TDS)	18.19	11.89
		<b>Total</b>	<b>188.12</b>	<b>11.89</b>

# Notes to the Financial Statements

(₹ in lacs)

as at and for the year ended 31st March, 2017

NOTE	11	TANGIBLE FIXED ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK					
			Balance AS ON 01.04.2016	Additions during the year	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust-ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the year on Revalued figure	During the year charged to P&L	Sales/Adj During the Year	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
		Land	1,849.90	—	—	1,849.90	—	300.24	300.24	1,549.66	—	—	—	—	—	1,549.66	1,549.66
		Computer	57.17	—	—	57.17	—	4.40	4.40	52.77	43.55	3.67	3.67	—	47.22	5.55	9.22
		Vehicle	303.69	28.31	(32.14)	299.86	—	37.22	37.22	262.64	141.17	26.58	26.58	16.23	151.52	111.12	125.30
		Two Wheeler	5.04	—	—	5.04	—	0.56	0.56	4.48	2.20	0.39	0.39	—	2.58	1.89	2.28
		Office Equipment	50.52	3.41	—	53.94	—	3.19	3.19	50.74	27.49	5.65	5.65	—	33.14	17.60	19.84
		Furniture & Fixture	23.05	—	—	23.05	—	0.94	0.94	22.10	9.51	2.46	2.46	—	11.97	10.13	12.59
		Electrical Installation	1,060.46	—	—	1,060.46	—	160.45	160.45	900.01	397.40	95.28	95.28	—	492.67	407.34	502.62
		Factory Building (Common)	255.55	—	—	255.55	—	47.21	47.21	208.34	47.91	6.48	6.48	—	54.39	153.95	160.42
		Misc Assets	412.34	21.31	—	433.66	—	68.62	68.62	365.04	114.04	24.43	24.43	—	138.47	226.57	229.69
		Non Factory Building	771.12	—	—	771.12	—	115.66	115.66	655.46	69.18	10.33	10.33	—	79.51	575.95	586.28
		Factory Building (Flour Mill)	917.54	—	—	917.54	—	140.68	140.68	776.87	174.50	24.16	24.16	—	198.66	578.21	602.37
		Plant & Machinery (Flour Mill)	1,263.35	66.50	—	1,329.85	—	202.60	202.60	1,127.25	581.32	78.44	78.44	—	659.76	467.48	479.43
		Plant & Machinery (Rolling Mill)	4,008.84	—	—	4,008.84	—	765.94	765.94	3,242.90	1,337.21	184.33	184.33	—	1,521.54	1,721.36	1,905.69
		Plant & Machinery (SMS)	2,719.61	—	—	2,719.61	—	778.76	778.76	1,940.85	1,147.92	139.86	139.86	—	1,287.78	653.07	792.93
		Plant & Machinery (Sponge Iron)	5,908.32	—	—	5,908.32	—	96.19	96.19	5,812.13	1,476.70	207.98	207.98	—	1,684.68	4,127.45	4,335.43
		Factory Building (Rolling Mill)	1,627.37	—	—	1,627.37	—	178.79	178.79	1,448.57	286.59	45.29	45.29	—	331.88	1,116.69	1,161.99
		Factory Building (SMS)	1,463.53	—	—	1,463.53	—	264.21	264.21	1,199.32	274.05	37.30	37.30	—	311.34	887.98	925.28
		Factory Building (Sponge Iron)	1,809.75	—	—	1,809.75	—	—	—	1,809.75	310.06	56.93	56.93	—	367.00	1,442.76	1,499.69
		Office Building	232.35	15.00	—	247.35	—	—	—	247.35	14.09	3.64	3.64	—	17.74	229.61	218.25
		Railway Siding	900.91	—	—	900.91	—	—	—	900.91	226.54	59.91	59.91	—	286.46	614.46	674.37
		Pollution Equipment	224.26	—	—	224.26	—	—	—	224.26	24.86	12.43	12.43	—	37.29	186.97	199.40
		LAND (STEEL-BARGADWA)	63.55	—	—	63.55	—	—	—	63.55	—	—	—	—	—	63.55	63.55
		LAND (SARDAR NAGAR)	12.69	—	—	12.69	—	—	—	12.69	—	—	—	—	—	12.69	12.69
		LAND (BASTI)	6.61	—	6.61	—	—	—	—	—	—	—	—	—	—	6.61	6.61
		LAND (BIHAR)	11.71	—	11.71	—	(3)	2.94	—	—	—	—	—	—	—	—	8.77
		LAND LEASEHOLD UPSIDC	95.62	—	—	95.62	—	—	—	95.62	—	—	—	—	—	95.62	95.62
		BUILDING FACTORY (BORING NO.10)	119.68	—	—	119.68	—	—	—	119.68	86.45	6.94	6.12	—	93.38	26.29	33.23
		BUILDING FACTORY (BIHAR)	338.51	—	—	—	(85)	85.09	—	—	21.96	—	—	21.96	—	—	231.46
		BUILDING NON FACTORY (BIHAR)	94.68	—	—	—	(24)	23.80	—	—	3.18	—	—	3.18	—	—	67.70
		BUILDING FACTORY (BASTI)	55.27	—	—	—	—	—	—	—	27.49	—	—	27.49	—	—	27.79
		BUILDING NON FACTORY (BASTI)	5.06	—	5.06	—	—	—	—	—	1.24	—	—	1.24	—	—	3.82

# Notes to the Financial Statements

as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	11	TANGIBLE FIXED ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK			
Particulars		Balance AS ON 01.04.2016	Additions during the year	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust- ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the year on Revalued figure	During the year charged to P&L	Sales/Adj During the Year	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
PLANT & MACHINERY (BASTI)		164.89	—	164.89	—	—	—	—	—	131.13	—	—	131.13	—	—	33.76
PLANT & MACHINERY (BIHAR)		1,544.43	—	1,544.43	—	(388)	387.91	—	—	194.35	—	—	194.35	—	—	962.11
MISC. FIXED ASSETS (BASTI)		20.33	—	20.33	—	—	—	—	—	16.66	—	—	16.66	—	—	3.67
OFFICE EQUIPMENT (BASTI)		1.52	—	1.52	—	—	—	—	—	1.45	—	—	1.45	—	—	0.08
COMPUTER (BASTI)		2.11	—	2.11	—	—	—	—	—	2.06	—	—	2.06	—	—	0.05
COMPUTER (BIHAR)		1.07	—	1.07	—	—	0.27	—	—	0.68	—	—	0.68	—	—	0.12
Total (i)		28,402.40	134.54	2,214.05	26,258.59	(500.00)	3,665.66	3,165.66	23,092.93	7,192.95	1,032.47	1,031.65	416.44	7,808.97	15,283.95	17,543.79
POWER PLANT																
Factory Building (Power Plant)		1,774.75	—	—	1,774.75	—	—	—	1,774.75	268.20	55.91	55.91	—	324.11	1,450.64	1,506.53
Plant & Machinery (Power Plant)		7,743.80	—	—	7,743.80	—	695.59	695.59	7,048.21	1,289.13	153.31	153.31	—	1,442.44	5,605.77	5,759.08
Total (ii)		9,518.55	—	—	9,518.55	—	695.59	695.59	8,822.96	1,557.33	209.21	209.21	—	1,766.54	7,056.41	7,265.63
TOTAL (i+ii)		37,920.95	134.54	2,214.05	35,777.14	(500.00)	4,361.25	3,861.25	31,915.88	8,750.28	1,241.68	1,240.86	416.44	9,575.52	22,340.37	24,809.42

NOTE	12	INTANGIBLE ASSETS	GROSS BLOCK						DEPRECIATION					NET BLOCK			
Particulars			Balance AS ON 01.04.2016	Additions during the year	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust-ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the year on Revalued figure	During the year charged to P&L	Sales/Adj During the Year	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
Computer Software			8.29	—	—	8.29	—	1.01	1.01	7.28	7.08	—	—	—	7.08	0.20	0.20
Total			8.29	—	—	8.29	—	1.01	1.01	7.28	7.08	—	—	—	7.08	0.20	0.20
GRAND TOTAL (Note 11 & 12)			37,929.24	134.54	2,214.05	35,785.43	(500.00)	4,362.26	3,862.26	31,923.17	8,757.36	1,241.68	1,240.86	416.44	9,582.60	22,340.57	24,809.67



# Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

<b>NOTE 13 NON CURRENT INVESTMENTS</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>Trade Investments</b>		—	—
<b>Non Trade Investments</b>			
Investment in Quoted Shares of Gallantt Metal Limited		4,267.98	3,919.18
3,94,62,895 Equity Shares in Gallantt Metal Ltd. (Market Value as on 31.03.2017 is ₹ 166,13,87,879)			
Investment in Equity Instruments of subsidiary company		501.90	4,000.00
Investment in Unquoted shares		—	11.00
<b>Total</b>		<b>4,769.88</b>	<b>7,930.18</b>
<b>NOTE 14 LONG TERM LOANS AND ADVANCES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(Unsecured and considered good)</b>			
Advances		—	—
Security deposits		0.87	33.10
<b>Total</b>		<b>0.87</b>	<b>33.10</b>
<b>NOTE 15 INVENTORIES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(At lower of cost or net realisable value)</b>			
Raw materials		3,053.11	2,083.61
Finished goods		439.89	1,286.55
Consumables stores and spares		1,228.42	1,009.45
Land at Real Estate Business		367.97	489.08
<b>Total</b>		<b>5,089.39</b>	<b>4,868.69</b>
<b>NOTE 16 TRADE RECEIVABLES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(Unsecured and considered good)</b>			
Outstanding for a period within six months		1,687.44	3,523.19
Outstanding for a period exceeding six months		331.20	344.62
<b>Total</b>		<b>2,018.64</b>	<b>3,867.81</b>

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

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NOTE	17	CASH AND CASH EQUIVALENTS	As at 31.03.2017	As at 31.03.2016
		Balance with Banks	106.41	132.78
		Cash in hand	24.39	215.55
		Fixed deposits with Banks	206.74	172.57
		<b>Total</b>	<b>337.54</b>	<b>520.90</b>
NOTE	18	SHORT TERM LOANS AND ADVANCES	As at 31.03.2017	As at 31.03.2016
		(Unsecured and considered good)		
		Prepaid expenses	30.04	24.36
		Mat Credit Entitlement	3,676.13	2,693.31
		Balance with government authorities:		
		- Excise & Service Tax	228.84	142.99
		- VAT	147.24	91.85
		- Other	585.11	698.69
		- Pradeshiya Industrial & Investment Corporation of U.P. Ltd (PIICUP)	20,349.23	17,125.45
		Others	2,302.60	1,756.34
		<b>Total</b>	<b>27,319.19</b>	<b>22,532.99</b>
NOTE	19	MAT CREDIT ENTITLEMENT	As at 31.03.2017	As at 31.03.2016
		Opening Balance	2,693.31	2,032.01
		Add: Addition during the year	982.82	661.31
		<b>Total</b>	<b>3,676.13</b>	<b>2,693.32</b>

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	20	REVENUE FROM OPERATIONS	Year Ended 31.03.2017	Year Ended 31.03.2016
		Sale of Products	45,438.79	56,800.74
		Income from Real Estate Division	1,040.33	827.62
		Less: Excise Duty	4,008.49	4,152.49
		<b>Total</b>	<b>42,470.61</b>	<b>53,475.85</b>
	20.1	Particulars of Sale of Products Net of Excise Duty		
		Maida	4,801.02	11,461.32
		Suji	1,325.72	2,854.64
		Atta	346.36	1,326.50
		Bran	1,250.67	3,652.00
		Daliya	4.05	155.47
		Wheat	—	136.50
		Sponge Iron	—	658.71
		M.S Bar	33,524.82	32,455.22
		Miss rolled Bar	48.76	46.10
		Others	205.51	125.27
		Revenue	41,506.91	52,871.73
		<b>Less: Cash Discount</b>	<b>7.02</b>	<b>22.66</b>
		Claims on sales	69.60	200.83
		Add: Excise Duty	4,008.49	4,152.49
		<b>Total</b>	<b>45,438.78</b>	<b>56,800.73</b>
NOTE	21	OTHER INCOMES	Year Ended 31.03.2017	Year Ended 31.03.2016
		Miscellaneous Income	37.24	20.36
		<b>Total</b>	<b>37.24</b>	<b>20.36</b>
NOTE	22	CHANGES IN INVENTORIES OF FINISHED GOODS	Year Ended 31.03.2017	Year Ended 31.03.2016
		Inventories at the beginning of the year:		
		Finished Goods	1,286.55	971.21
		<b>Total</b>	<b>1,286.55</b>	<b>971.21</b>
		Inventories at the end of the year:		
		Finished Goods	439.89	1,286.55
		<b>Total</b>	<b>439.89</b>	<b>1,286.55</b>
		<b>Net Decrease/(Increase)</b>	<b>846.66</b>	<b>(315.34)</b>

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	23	COST OF MATERIALS CONSUMED	Year Ended 31.03.2017	Year Ended 31.03.2016
		Opening Stock	2,572.69	2,869.12
		Add: Purchases	26,764.53	37,428.25
		Expenses on Raw Material	378.78	263.20
		Freight on Iron Ore	221.06	88.12
		Freight on Coal	2,519.05	2,706.85
		Freight On Wheat	86.01	120.65
		<b>Total</b>	<b>32,542.12</b>	<b>43,476.19</b>
		Less: Closing Stock	3,421.07	2,572.69
		<b>MATERIALS CONSUMED</b>	<b>29,121.05</b>	<b>40,903.50</b>

	23.1	PARTICULARS OF MATERIAL CONSUMED	Year Ended 31.03.2017	Year Ended 31.03.2016
		Wheat	6,270.41	16,216.79
		Iron Ore	2,616.61	1,320.95
		Pellets	3,062.38	6,311.08
		Coal	8,559.77	9,954.05
		Dolomite	156.19	160.33
		Refractories	187.57	206.51
		Scrap	650.76	42.30
		Others	7,617.36	6,691.48
		<b>Total</b>	<b>29,121.05</b>	<b>40,903.50</b>

	23.2	COST OF MATERIALS CONSUMED	2016-17		2015-16	
			₹ In Lacs	% of Total	₹ In Lacs	% of Total
		Imported	2,119.61	7.28%	4,652.07	11.37%
		Indigenous	27,001.44	92.72%	36,251.43	88.63%
		<b>Total</b>	<b>29,121.05</b>	<b>100.00%</b>	<b>40,903.50</b>	<b>100.00%</b>

NOTE	24	EMPLOYEE BENEFIT EXPENSES	Year Ended 31.03.2017	Year Ended 31.03.2016
		Salary, Wages and Bonus	899.41	581.67
		Contribution to Provident and other Fund	60.73	54.63
		Staff Welfare expenses	11.47	4.03
		<b>Total</b>	<b>971.61</b>	<b>640.33</b>

	25	FINANCIAL COST	Year Ended 31.03.2017	Year Ended 31.03.2016
		Interest Expenses	361.97	675.37
		Other Borrowing Cost	61.56	86.35
		<b>Total</b>	<b>423.53</b>	<b>761.72</b>

	26	DEPRECIATION AND AMORTIZATION EXPENSES	Year Ended 31.03.2017	Year Ended 31.03.2016
		Depreciation on Tangible Assets	1,240.86	1,390.50
		<b>Total</b>	<b>1,240.86</b>	<b>1,390.50</b>

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE 27 OTHER EXPENSES	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Manufacturing Expenses:</b>		
Consumption of stores and spare parts	849.38	1,115.15
Repairs to Plant & Machinery	212.35	278.79
Repairs to others	114.41	148.77
Handling Expenses	553.39	428.95
Power & Fuel	3,475.56	4,106.35
Packing Material Consumed	160.12	184.68
<b>Selling &amp; Administration Expenses</b>		
Audit Fees	4.58	4.67
Environmental exp	267.56	6.84
Selling & Distribution Exp.	284.11	280.98
Rates ,Taxes & Fees	92.36	36.96
Insurance Exp.	46.40	46.04
Misc. Exp.	38.41	44.93
Power & Fuel (Office)	16.00	12.27
Printing & Stationary	2.84	1.00
Telephone Exp.	13.31	16.68
Travelling & conveyance Exp.	55.11	27.70
Director Remuneration	52.80	52.80
Foreign Currency Conversion Loss(Net)	(3.72)	177.78
Expenses for Corporate Social Responsibility	55.00	42.00
<b>Total</b>	<b>6,289.97</b>	<b>7,013.34</b>

28 VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED	2016-17		2015-16	
	₹ In Lacs	% of Total	₹ In Lacs	% of Total
Imported	23.21	2.30%	28.88	2.22%
Indigenous	986.30	97.70%	1,270.96	97.78%
<b>Total</b>	<b>1,009.51</b>	<b>100.00%</b>	<b>1,299.84</b>	<b>100.00%</b>

NOTE 29 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	Year Ended 31.03.2017	Year Ended 31.03.2016
Raw Material	2,119.61	4,652.07
Stores, Chemical and packing Material	23.21	28.88
Capital Goods	31.80	—
<b>Total</b>	<b>2,174.62</b>	<b>4,680.95</b>

30 EARNING PER SHARE	Year Ended 31.03.2017	Year Ended 31.03.2016
(i) Net Profit After Tax as per statement of Profit And Loss attributable to Equity Shareholder (Rs.)	44,24,70,363	28,59,40,186
(ii) Weighted Average number of equity share used as denominator for calculating Basic EPS	2,82,36,072	2,82,36,072
(iii) Weighted Average number of equity share used as denominator for calculating Diluted EPS	2,82,36,072	2,82,36,072
(iv) Basic Earning per Share (Rs.)	15.67	10.13
(v) Diluted Earning per Share (Rs.)	15.67	10.13
(vi) Face Value Per Share (Rs.)	10.00	10.00

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	31	RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)
I.	Associate or Subsidiary Company & Firm	Gallant Metal Ltd Chandra Prakash Agrawal & Sons (HUF) Prem Prakash Agrawal HUF Shrinu Steel Works Pvt Ltd Shrinu Agro Pvt Ltd Bhavika Steel Agencies Pvt Ltd Shikharji Rolling Mills Pvt Ltd Satlaj Ispat Pvt Limited Satlaj Flour Mills Pvt Ltd Shikharji Steel & Agro Products Pvt Ltd Gyanika Flour Mills Pvt Ltd
II.	Key Managerial Personnel	Mr.Chandra Prakash Agrawal Mr.Prem Prakash Agrawal Mr.Nitin M Kandoi Mr. Santosh Kumar Agrawal Mr.Mayank Agrawal Mr. Amit Jalan Mr. Nitesh Kumar
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal Mr. Ashutosh Agrawal Mrs. Smriti Agrawal Mrs. Shyama Agrawal Mrs. Shruti Kandoi Mrs. Pallavi Agrawal Mrs. Uma Agrawal

RELATED PARTY TRANSACTION				
Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	—	86.18	50.40	136.58
	—	(70.36)	(50.40)	(120.76)
Interest paid	—	—	—	—
	(85.68)	—	—	(85.68)
Loan Taken	—	—	—	—
	(3,619.32)	—	—	(3,619.32)
Loan Repaid	—	—	—	—
	(3,619.32)	—	—	(3,619.32)
Purchase	30.78	—	—	30.78
	(5.78)	—	—	(5.78)
Sale	74.09	—	3.28	77.37
	(145.13)	(18.55)	(1.65)	(165.32)
Lease Rent Paid/ Received	—	—	—	—
	(14.31)	—	—	(14.31)
Advance Received Against Land	—	—	—	—
	(1,225.00)	—	—	(1,225.00)
Repayment of Advance Received Against Land	—	—	—	—
	(500.00)	—	—	(500.00)

The Amount Shown in Bracket ( ) Denotes Previous year figure

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

## NOTE 32 EMPLOYEE BENEFITS DISCLOSURE AS PER AS-15

### Defined Contribution Plans

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

Particulars	2016-17	2015-16
Employer' contribution to Provident Fund	28.78	31.71
Employer' contribution to ESIC	14.06	10.65

### 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":

	2016-17	2015-16
<b>(a) Component of Employer Expenses</b>		
(i) Current Service Cost	38.82	30.21
(ii) Interest Cost	9.26	5.77
(iii) Expected return on Assets	5.44	5.10
(iv) Actuarial (Gain / Losses )	(47.33)	19.46
(v) Total Expenses	(4.69)	50.34
<b>(b) Net Assets (Liability)</b>		
(i) Present Value of defined benefit obligation	129.56	127.72
(ii) Fair Value of Plant Assets	96.81	75.00
(iii) Fund Status (Surplus/ Deficit)	(32.75)	(52.72)
(iv) Net Assets / (Liability)	(32.75)	(52.72)
<b>(c) Change in obligation during the year</b>		
(i) Present value of defined benefit obligation at the beginning of the year	127.72	72.35
(ii) Current Service Cost	38.82	30.21
(iii) Interest Cost	9.26	5.77
(iv) Actuarial (Gain / Losses)	(46.24)	19.86
(v) Benefit Payment	—	(0.47)
(vi) Present value of defined Benefit obligation at the end of the year	129.56	127.72
<b>(d) Change in Assets</b>		
(i) Plan Assets at the beginning of the year	75.00	63.71
(ii) Expected return on Plant Assets	5.44	5.10
(iii) Actuarial ( Gain/ Loss)	1.09	0.40
(iv) Plan Assets at the end of the year	96.81	75.00
<b>(e) Actuarial Assumption</b>		
(i) Discount Rate	7.25%	8.00%
(ii) Expected return on Assets	7.25%	8.00%
(iii) Salary Increase	9.00%	9.00%
(iv) Mortality	IALM 2006-08	IALM 2006-08

## NOTE 33 SEGMENT REPORT

### (A) Primary Segment (By Business Segment)

The Company is engaged in the business of production of Steel Products, Wheat Products & Power. The Company has three reportable business segments i.e. Steel, Agro & Power which have been identified in line with the A.S. -17 "Segment Reporting". Consequent upon amalgamation of Gallantt Udyog Limited with the Company, entire business including Real Estate business of Gallantt Udyog Limited is transferred to the Company. Hence, Real Estate is a new business segment of the Company. Information about Primary Segment is as follows.

# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

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SEGMENT WISE REPORTING		
Particulars	2016-17	2015-16
<b>1 Segment Revenue</b>		
(A) Agro	7,652.11	19,382.43
(B) Steel	33,778.18	33,265.81
(C) Power	5,845.50	5,462.77
(D) Real Estate	1,040.32	827.61
(E) Unallocated Income	1,052.83	20.36
<b>Total Segment Revenue</b>	<b>49,368.94</b>	<b>58,958.98</b>
<b>Less: Inter Segment Revenue-Power</b>	<b>5,845.50</b>	<b>5,462.77</b>
<b>Net Sales/Income from Operation</b>	<b>43,523.44</b>	<b>53,496.21</b>
<b>2 Segment Result</b>		
(A) Agro	379.16	1,592.33
(B) Steel	(560.02)	(1,440.38)
(C) Power	3,494.87	3,210.38
(D) Real Estate	919.21	741.58
<b>Total Segment Result</b>	<b>4,233.22</b>	<b>4,103.91</b>
<b>Add: Unallocated Income</b>	<b>1,052.83</b>	<b>—</b>
<b>Less: Interest</b>	<b>423.53</b>	<b>761.72</b>
<b>Less: Other Unallocable Expenses (Net)</b>	<b>257.36</b>	<b>243.52</b>
<b>Total Profit before Tax</b>	<b>4,605.16</b>	<b>3,098.67</b>
<b>3 Segment assets</b>		
(A) Agro	2,146.59	4,687.07
(B) Steel	40,370.48	39,613.16
(C) Power	7,056.42	7,348.92
(D) Real Estate	611.88	1,288.54
(E) Unallocated	22,626.80	13,923.12
	<b>72,812.17</b>	<b>66,860.81</b>
<b>Segment Liability</b>		
(A) Agro	2,118.20	4,270.54
(B) Steel	15,938.18	18,889.75
(C) Power	—	—
(D) Real Estate	—	—
(E) Unallocated	15,309.00	8,507.70
	<b>33,365.38</b>	<b>31,667.99</b>
<b>4 Capital Employed</b>		
(A) Agro	28.39	416.53
(B) Steel	24,432.29	20,723.41
(C) Power	7,056.42	7,348.92
(D) Real Estate	611.88	1,288.54
(E) Unallocated	7,317.80	5,415.42
<b>Total Capital Employed</b>	<b>39,446.78</b>	<b>35,192.82</b>

## (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



# Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

34	CONTINGENT LIABILITIES	2016-17	2015-16
	<b>Contingent liabilities not provided for in respect of:</b>		
(i)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00	210.00
(ii)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	356.00	223.00
(iii)	Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00	2.00
(iv)	Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00	4.00
(v)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	32.00	6.48
(vi)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	48.00	0.00
(vii)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	625.00	0.00
(viii)	Irrevocable Letter of Credit Issued by State Bank of India in favour of Adani Globle Pte Ltd amounting to USD 777348.00 for Supply of Non Coking Coal. (Rate as on 31.03.2017 1USD = ₹ 64.8386 ).	504.02	0.00
(ix)	In respect of Wheat price for the year 1991-92 to the extent of ₹ 3.71 Lacks being the wheat supplied by Food Corporation of India at an enhanced rate, which is disputed.	3.71	3.71
(x)	A search operation was carried out by Income Tax Authorities on 27.02.2014 & 28.02.2014, company has moved to settlement commission and the due taxes had already been paid by the company. However, during the course of proceedings of assessment procedure further demand, if any, arises at the time of order from Honourable Settlement Commission, the same will be considered at due time. However at present there is no demand raised by any Income tax authority.		
35	MANAGERIAL REMUNERATION PAID/PAYABLE TO DIRECTORS	2016-17	2015-16
	<b>Managing Director</b>		
	Remuneration	15.60	13.20
	<b>Whole Time Director/ Director</b>		
	Remuneration	46.80	35.39
	During the year the company has paid ₹ 79000 against sitting fee to the directors. The Company has not given any perquisite to its directors during the year.		
	<b>Payment to Auditors</b>		
i)	Audit Fees	2.50	2.50
ii)	Tax and VAT Audit Fees	0.25	0.25
iii)	Other Services (Certification fees)	1.13	0.67
	<b>Total</b>	<b>3.88</b>	<b>3.42</b>

## Note 36

### Impairment of Assets

Pursuant to the Accounting Standard (AS 28)- "Impairment of Assets" issued by The Institute of Chartered Accountant of India, the Company assessed its fixed assets for impairment as at March 31, 2017 and concluded that there is no significant impairment in fixed asset that needs to be recognized in the books of accounts.

## Note 37

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

The company has not received any intimation from "suppliers" regarding status under the Micro, Small and

# Notes to the Financial Statements

medium Enterprises Development Act 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said act have not been furnished.

## Note 38

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

- (a) In accordance with the approval of the shareholders through postal ballot and e-voting, during the year, two flour mill units of the Company viz. Flour Mill Unit located at Gram-Mauja, Chipili, Thana-Durgavati, Kaimur, Bhabhua, Bihar (hereafter referred to as "Bihar Unit") and Flour Mill Unit located at 60 K.M. Stone, Gorakhpur-Lucknow Highway, Sabdaiyan Kalan, Basti, Uttar Pradesh (hereinafter referred to as the "Basti Unit") have been sold. Also, during the year, Company has sold some of the misc. assets. Exceptional Items includes adjusted profit amounting to ₹ 959.60 Lacs on sale of Bihar Unit and Basti Unit and other Misc assets and profit on sale of shares in subsidiaries amounting to ₹ 56.00 Lacs.
- (b) In pursuance to the notification no. 308(e) dated 30.03.2017 issued by Ministry of Corporate Affairs, we hereby produce the details of SBNs (Specified Bank Notes) held and transacted during the period 08.11.2016 to 30.12.2016.

(₹ In Lacs)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	405.00	34.67	439.67
(+) Permitted Receipts	0.00	60.50	60.50
(-) Permitted Payments	0.00	54.25	54.25
(-) Amount Deposited in Banks	405.00	0.95	405.95
Closing Cash in Hand as on 30.12.2016	0.00	39.97	39.97

## Note 39

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1<sup>st</sup> June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30<sup>th</sup> November 2006 and amended from time to time, the company is eligible for Interest free loan equivalent to the amount of VAT & CST liability for 15 years and which shall be re-payable after 15 years. The company has claimed ₹ 10373.96 lacs up to 31st March 2017 (upto previous year ₹ 8791.40 Lacs) on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 10373.93 lacs, ₹ 8801.58 lacs has not been deposited to Commercial Tax department in accordance with an order of Hon'ble

as at and for the year ended 31st March, 2017

High Court of Allahabad in writ petition no. 8886/2011, and order in writ petition no. 21103 dated 16.11.2016. However, ₹ 1572.39 Lacs have already been deposited upto August, 2011.

## Note 40

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

## Note 41

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30<sup>th</sup> November 2006 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. During the year company has provided an amount of ₹ 3223.77 lacs (Previous year ₹ 3558.24 lacs), which has been adjusted with freight paid on Iron Ore in Profit Loss account and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2017 was ₹ 18776.84 lacs (Previous year ₹ 15553.07 Lacs).

## Note 42

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30<sup>th</sup> November 2006 and amended from time to time the company is eligible for various incentives and benefits which includes Capital Investment subsidy, Infrastructure Subsidy, additional capital subsidy, Freight Subsidy and interest free loan against VAT & CST.

The State Government has disbursed part payment of ₹ 24.28 crores of the subsidy on the investment made till May, 31, 2009 to the company as we were declared eligible for the subsidy and other benefits. We have

# Notes to the Financial Statements as at and for the year ended 31st March, 2017

further submitted our Capital subsidy claim of Rs.98.34 crores adjusting ₹ 24.28 crores already received, on the investment made up to May 31, 2012 and a claim of ₹ 187.77 crores as freight subsidy and refund of already deposited VAT/CST ₹ 15.72 crores due up to March 2017 making a total of ₹ 301.83 crores as on March 2017 which is pending for disbursement before the nodal agency (PICUP) of the scheme. As the state Government vide its order dated 18.11.2011 and 11.02.2015 refused the balance payment of subsidies, we have filed writ petition before the Hon'ble High Court of Allahabad, Lucknow Bench and Hon'ble High Court, Allahabad vide its order and judgment dated 05.11.2015 directed State Government to pay subsidies forthwith as per scheme and take a fresh decision within three months in relation to the benefits of interest free loan against VAT; and have also stayed recovery of taxes till a fresh decision is taken. State Government has filed

an SLP before the Hon'ble Supreme Court challenging this order which was dismissed on 29.02.2016 resulting order of the Hon'ble High Court dated 05.11.2015 becomes final.

State Government, in its meeting held on 04.04.2016 decided to make payment of subsidies as directed by Hon'ble High Court and have further decided to seek six months time from, Hon'ble High Court and have moved an application which has been rejected by the hon'ble high Court directing the State Government to appraise the Petitioner about the decision taken not later than three weeks. Thereafter State Govt. Changed its decision dated 04.04.2016 and issued a new Govt Order Dated 30.06.2016 by which benefits of the scheme were made limited. This Govt Order limiting the benefit has been challenged before the Hon'ble High Court vide writ petition No 21103 which is pending for decision.

## Note 43

### Unpaid and Unclaimed Amount of Dividend and Share Application Money

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2017

Nature of Money	Relevant F.Y.	Bank Account Details	Amount Lying (₹ in Lacs)
Share Application Money	2010-11	HDFC Bank Account No.00142300001609	71,900.00
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	9,929.00
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	5,419.00
Final Dividend for 2013	2012-13	IDBI Bank Account No. 0135103000007344	17,307.00
Final Dividend for 2014	2013-14	IDBI Bank Account No. 0135103000007900	3,026.50
Final Dividend for 2015	2014-15	IDBI Bank Account No. 0135103000008587	3,109.00
Interim Dividend for 2016	2015-16	ICICI Bank Account No. 001105026007	3,929.00

## Note 44

### Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 10/- per share. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) are in proportion to its shares of the paid up equity capital of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

## Note 45

Gallantt Udyog Limited (amalgamated with the Company and hereinafter referred to as "GUL") had entered into Builder Agreement dated January 27, 2012 with M/s. SAS Hotels & Properties Private Limited (now known as Shalimar Corp Ltd), an Indian Company

within the meaning of Companies Act, 1956 inter alia engaged in the business real estate. Pursuant to the Agreement, GUL had entered into real estate business with "Shalimar Corp Ltd. Pursuant to the agreement as above, GUL had offered and granted exclusive rights to Shalimar Corp Ltd. to develop residential complexes on Company's land located at Shankerpurwa, Islabari, Lucknow, Uttar Pradesh. As a consideration for the said agreement company is receiving 13% share of the total sales realisation. Further, agreement as above states that Shalimar Corp Limited to develop the properties and to market the same for mutual benefits of the parties. As decided by the parties to the Builder Agreement, the project is being developed as residential complex in the name and style of "SHALIMAR GALLANT".

## Note 46

Company had extended Corporate Guarantee of Rs. 10,000 Lacs in favour of Punjab National Bank (PNB) against granting of Financial Accommodation by PNB to Shalimar Corp Limited. Shalimar Corp Limited has repaid

# Notes to the Financial Statements as at and for the year ended 31st March, 2017

Term Loan in full and loan account has been closed. Simultaneously, Corporate Guarantee extended by the Company has been released and necessary formalities have been complied with by the Company.

## Note 47

During the year Company has disposed off two subsidiaries M/s. Shree Surabhi Flour Mills Private Limited (Surabhi Flour) and M/s. Shree Surabhi Wheat Products Private Limited (Surabhi Wheat). Company has acquired eight Wholly Owned Subsidiaries during the year namely M/s. Shikharji Rolling Mills Private Limited, M/s. Shikharji Steel & Agro Products Private Limited, M/s. Bhavika Steel Agencies Private Limited, M/s. Shrinu Agro Private Limited, M/s. Shrinu Steel Works Private Limited, M/s. Gyanika Flour Mills Private Limited, M/s. Satlaj Ispat Private Limited and M/s. Satlaj Flour Mills Private Limited. At their meeting held on March 23, 2017, Company has approved amalgamation of these eight subsidiaries with the Company. Appointed Date for the Scheme of Amalgamation is April 01, 2016. As per the provisions of Section 233 of the Companies Act, 2013, Scheme has been placed before the Honourable Registrar of Companies, West Bengal and Official Liquidator, Calcutta High Court for their In-principle approval.

As Company holds more than twenty percent shareholding of Gallantt Metal Limited and hence, Gallantt Metal Limited has been termed as Associate of the Company within the meaning of Section 2(6) of the Companies Act, 2013.

## Note 48

Board of Directors of the Company has recommended Dividend to the shareholders of the Company Re. 0.5/-

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S. K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

(Paise Fifty only) per Equity Share for the financial year 2016-17. Total out flow on account of Dividend is ₹ 1,41,18,036/- subject to tax.

## Note 49:

### Corporate social responsibility

As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised throughout the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards aforesaid activities. Details of the CSR have been given in the Directors' Report in the Annual Report. The Company continues to earmark a corpus every year for CSR activities. The Gallantt CSR Team under the guidance of CSR Committee is responsible for championing all philanthropy and CSR initiatives of the Company. The mission of Gallantt is committed to being participants of progress by supporting initiatives in education and child welfare to help measurably improve the lives of underprivileged children among others.

## Note 50: DISCLOSURE PURSUANT TO LISTING REGULATIONS 29

There are no loans and advances in nature of loans outstanding from subsidiary for the year ended March 31, 2017

## Note 51

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

# INDEPENDENT AUDITORS' REPORT on Consolidated Financial Statements

## TO THE MEMBERS OF GALLANTT ISPAT LIMITED

### Report on the financial statements

We have audited the accompanying consolidated financial statements of GALLANTT ISPAT LIMITED ('The Holding Company') and its subsidiaries and associate (collectively referred to as 'the Company' or 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles Generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) in the case of the Balance Sheet, of the consolidated state of affairs of the Company as at 31st March, 2017;
- b) in the case of the consolidated Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- c) in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Report on other legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the auditor's report on Consolidated Financial Statements.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note no. 41 & 42 regarding recognition of freight subsidy of ₹ 3223.77 lacs which is subject to decision of honorable High Court and in case decision comes against the Co. the profit for the year will be reduced by ₹3223.77 lacs
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
3. As required by clause d of Rule 11 of Companies (Audit and Auditors) Rules, 2014, we report that Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, and these are in accordance with the books of accounts maintained by the company. Refer Note No- 38b.

For **Anoop Agarwal & Co.**  
*Chartered Accountants*  
 Firm Reg. no. 001739C  
**(Amit Kumar Srivastava)**  
*Partner*  
 Membership No. 517195

Place: Kolkata

Dated: 04.05.2017

# Annexure A to the Independent Auditor's Report on Consolidated Financial Statements

Report on the Internal Financial Controls Under Clause (I) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("The Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of **GALLANTT ISPAT LIMITED** ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kolkata

Dated: 04.05.2017

For **Anoop Agarwal & Co.**

Chartered Accountants

Firm Reg. no. 001739C

**(Amit Kumar Srivastava)**

Partner

Membership No. 517195



# Consolidated Balance Sheet as at 31st March, 2017

(₹ in lacs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>A. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
Share Capital	2	2,823.61	2,823.61
Reserves & Surplus	3	39,877.93	34,360.50
<b>Sub Total</b>		<b>42,701.54</b>	<b>37,184.11</b>
<b>2 Minority Interest</b>		<b>—</b>	<b>6.14</b>
<b>3 Non Current Liabilities</b>			
Long Term Borrowings	4	—	250.00
Deferred Tax Liability	5	2,685.40	2,504.86
Other Long Term Borrowings	6	10,373.96	8,791.40
<b>Sub Total</b>		<b>13,059.36</b>	<b>11,546.26</b>
<b>4 Current Liabilities</b>			
Short Term Borrowings	7	4,502.98	8,866.62
Trade Payables	8	826.95	1,404.14
Other Current Liabilities	9	14,787.98	8,067.37
Short Term Provisions	10	189.93	11.89
<b>Sub Total</b>		<b>20,307.84</b>	<b>18,350.02</b>
<b>TOTAL</b>		<b>76,068.74</b>	<b>67,086.53</b>
<b>B ASSETS</b>			
<b>1 Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	22,340.37	24,839.22
Intangible Assets	12	0.20	0.20
Capital Work in Progress		10,936.10	2,297.51
Goodwill on consolidation		0.08	—
Non Current Investments	13	7,940.80	5,866.25
Long Term Loans and Advances	14	0.87	1,366.81
<b>Sub Total</b>		<b>41,218.42</b>	<b>34,370.00</b>
<b>2 Current Assets</b>			
Inventories	15	5,089.39	5,399.91
Trade Receivables	16	2,018.64	3,976.15
Cash and Cash Equivalents	17	423.11	771.01
Short Term Loans and Advances	18	27,319.18	22,539.46
Other Current Assets	19	—	29.99
<b>Sub Total</b>		<b>34,850.32</b>	<b>32,716.52</b>
<b>TOTAL</b>		<b>76,068.74</b>	<b>67,086.53</b>

Notes forming part of Financial Statements

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

# Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in lacs)

**GALANIT**

Notice

Board and Management Reports

Standalone Financial Reports

Cosolidated Financial Reports

Particulars	Note No.	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. REVENUE</b>			
Revenue from Operations	20	42,470.61	57,964.76
Other Income	21	43.80	118.90
<b>Total (A)</b>		<b>42,514.41</b>	<b>58,083.66</b>
<b>B. EXPENSES</b>			
Changes in Inventories of Finished Goods	22	846.66	(315.35)
Cost of Materials consumed	23	29,121.05	44,900.66
Employee Benefit Expenses	24	971.87	675.69
Financial Costs	25	423.53	845.10
Depreciation and Amortization Expenses	26	1,240.86	1,394.51
Other Expenses	27	6,290.97	7,397.36
<b>Total (B)</b>		<b>38,894.94</b>	<b>54,897.97</b>
<b>Profit before Exceptional &amp; Extraordinary Items and Tax (A)-(B)</b>		<b>3,619.47</b>	<b>3,185.69</b>
Less: Preliminary Exp. w/o		—	(3.54)
Less: Prior Period Items		(24.60)	(3.29)
Add: Exceptional & Extraordinary Items (Profit on Sale of Assets / Shares)		1,015.60	—
<b>Profit before Tax</b>		<b>4,610.47</b>	<b>3,178.86</b>
<b>Tax Expense:</b>			
- Current Tax		982.82	686.21
- Less: Mat Credit		(982.82)	(661.31)
- Deferred Tax		182.28	239.59
<b>Total Tax</b>		<b>182.28</b>	<b>264.50</b>
<b>Profit / (Loss) After Tax</b>		<b>4,428.19</b>	<b>2,914.36</b>
Minority Interest		—	(0.14)
Capital reserve on consolidation		—	(54.92)
Share of Profit / (Loss) in Associates		1,315.19	1,936.07
<b>Profit for the year</b>		<b>5,743.38</b>	<b>4,795.37</b>
<b>Earning per Share:</b>			
Basic (Rs.)		20.34	10.13
Diluted (Rs.)		20.34	10.13
Notes forming part of Financial Statements			

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

# Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	4,610.47	3,178.86
<b>Add:</b>		
- Depreciation	1,240.86	1,394.51
- Interest Paid	423.53	845.10
- Misc. Expenditure Written Off during the year	—	0.20
- Loss on sale of Assets	—	7.00
	<b>6,274.86</b>	<b>5,425.67</b>
Less: Profit on sale of Assets	959.60	—
Less: Income Tax Paid	964.62	695.65
<b>Cash Flow from Operating Activities before Working Capital changes</b>	<b>4,350.64</b>	<b>4,730.01</b>
<b>Changes in Working Capital</b>		
- Change in Inventories	(220.70)	(317.57)
- Change in Trade receivables	1,849.17	504.61
- Change in Short Term Loans & Advances	(3,803.38)	(4,067.11)
- Change in Short Term Borrowings	(4,194.23)	3,267.88
- Change in Trade Payables	(577.19)	(103.14)
- Change in Other Current Liabilities	4,529.58	(1,485.70)
- Change in Short Term Provisions	(11.89)	(388.75)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>1,922.00</b>	<b>2,110.25</b>
<b>B. Cash Flow from Investing Activities</b>		
Change in Fixed Assets	2,186.88	310.89
Changes in Investment	3,240.65	—
Change in Capital WIP	(8,638.59)	(1,515.97)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,211.06)</b>	<b>(1,205.08)</b>

# Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in lacs)

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Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>C. Cash Flow from Financing Activities</b>		
Interest Paid	(423.53)	(845.10)
Dividend Paid	—	(339.84)
Share of Minority share holders	—	6.00
Change in Long Term Loans & Advances	32.23	(1,329.37)
Change in Long Term Borrowing	—	(200.00)
Change in Other Long Term Borrowing	1,582.56	1,627.16
<b>Net Cash Flow from Financing Activities (C)</b>	<b>1,191.26</b>	<b>(1,081.14)</b>
<b>Net Cash Inflow / (Outflow)- (A to C)</b>	<b>(97.80)</b>	<b>(175.97)</b>
<b>Add: Opening Balance of Cash &amp; Cash Equivalent</b>	<b>520.91</b>	<b>946.98</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>423.101</b>	<b>771.01</b>
<b>Cash &amp; Cash Equivalent comprises of :</b>		
(i) Cash in hand	33.05	249.33
(ii) Balance with Banks		
- Fixed deposits with Banks	206.74	388.23
- Balance with Banks	183.32	133.45
<b>Total</b>	<b>423.11</b>	<b>771.01</b>

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

## Corporate Information

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

## Note 1: Significant Accounting Policies

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

#### a) Nature of Operation

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

#### b) Accounting Concepts & Basis of Presentation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the Act 1956"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. GAAP comprises mandatory accounting standards as specified in the Companies (Indian Accounting Standards) Rules, 2015, the provisions of the Act, 2013 / the Act 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### c) Use of Estimates

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

### Basis of Consolidation

Associates are entities over which the company has significant influence but not control. Investments in the associate GALLANTT METAL LIMITED is accounted for using the equity method of accounting as laid down under Accounting standard 23, "Accounting for Investments in Associates in Consolidated Financial Statements". The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Gallantt Metal Limited prepares Financial Statements for the Financial Year ended 31st March, 2017.

Company has eight subsidiaries. The Consolidated Financial Statements of the Group incorporate the financial statements of the Company and entities controlled by the Company (its 'subsidiaries'). Company has acquired eight Wholly Owned Subsidiaries during the year namely M/s. Shikharji Rolling Mills Private Limited, M/s. Shikharji Steel & Agro Products Private Limited, M/s. Bhavika Steel Agencies Private Limited, M/s. Shrinu Agro Private Limited, M/s. Shrinu Steel Works Private Limited, M/s. Gyanika Flour Mills Private Limited, M/s. Satlaj Ispat Private Limited and M/s. Satlaj Flour Mills Private Limited. The results of subsidiaries acquired during the year are included in the Group income statement as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those detailed herein to ensure that the Group financial statements are prepared on a consistent basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

## 2) Valuation of Inventories (AS-2)

- a) Stock of Raw Materials, Stores and spare parts are valued at cost. Costs of Inventories are ascertained on FIFO basis.
- b) Stock of Finished goods and semi-finished goods are valued at cost or net realizable value whichever is lower.
- c) Waste and scraps are accounted at estimated realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges

## 3) Cash Flow Statement (AS – 3)

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

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

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

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

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

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

## 6) Depreciation (AS – 6)

Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Companies Act 2013. In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

## 7) Revenue Recognition (AS -9)

Revenue is recognized to the extent that it is

probable that the economic benefits will flow to the Company and the revenue can be reliably measured

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

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

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

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

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

## 10) Accounting For Investments (AS – 13)

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

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

## 11) Employee Benefits (AS – 15)

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) The Company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the 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.

## 12) Borrowing Costs (AS – 16)

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

## 13) Segment Reporting (AS – 17)

### a) Identification of Segments

Primary Segment

*Business Segment*

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

Secondary Segment

Geographical Segment

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

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

### b) Allocation of Common costs

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

## c) Unallocated items

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

## 14) Related Party Disclosures (AS – 18)

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

## 15) Earnings Per Share (AS – 20)

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

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

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

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

## 17) Interim Financial Reporting (AS – 25)

The quarterly financial results are published in accordance with the requirements of Listing Regulations with stock exchanges.

## 18) Intangible Assets (AS – 26)

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

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

how are disclosed at cost less amortization on a straight-line basis over its estimated useful life.

## 19) Excise Duty, Commercial Tax (U.P. Value Added Tax & Central Sales Tax) & Custom Duty

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

## 20) Consumption of Raw Materials, Stores & Spare Parts Etc.

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

## 21) Service Tax & Cess

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

## 22) Preliminary Expenses

Preliminary expenses are amortized over a period of 5 years.

## 23) Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognized as an expense in

the Profit and Loss Account in the year in which an asset is impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

## 24) Prior Period Items

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

## 25) Taxation

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

## 26) Contingent Liabilities (AS – 29)

### Contingent Liabilities

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.



# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	2	SHARE CAPITAL	As at 31.03.2017	As at 31.03.2016
		<b>Authorized Share Capital</b>		
		4,65,00,000 Equity Shares of Rs. 10/- each	4,650.00	4,650.00
		(Previous year 4,65,00,000 Equity Shares of Rs.10/- each)		
		<b>Issued, Subscribed and Paip-up Share Capital</b>		
		2,82,36,072 Equity Shares of Rs.10/- each fully paid up	2,823.61	2,823.61

## 2.1 Details of shareholders holding more than 5% shares

	As at 31.03.2017		As at 31.03.2016	
Name of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Metal Limited	72,51,992	25.68%	72,51,992	25.68%
Chandra Prakash Agrawal	52,34,004	18.54%	49,36,088	17.48%
AAR Commercial Co. Ltd.	33,90,526	12.01%	31,86,006	11.28%

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

	2016-17	2015-16
Equity Shares at the beginning of the year (No.)	2,82,36,072	2,82,36,072
Equity Shares at the end of the year (No.)	2,82,36,072	2,82,36,072

## 2.3 Disclosure regarding the Shares Issued for consideration other than cash

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

Particulars	No. of shares	Date of Order of H'ble Calcutta High Court
(a) Pursuant to Amalgamation of Gallantt Udyog Ltd with the Company	92,15,159	14-05-2015
<b>Total</b>	<b>92,15,159</b>	

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE	3	RESERVES AND SURPLUS	As at 31.03.2017	As at 31.03.2016
		<b>Securities premium account</b>		
		Balance at beginning of the year	17,732.19	17,732.19
		<b>Balance at the end of the year</b>	<b>17,732.19</b>	<b>17,732.19</b>
		<b>Amalgamation Reserve</b>		
		Balance at beginning of the year	412.09	412.09
		<b>Balance at the end of the year</b>	<b>412.09</b>	<b>412.09</b>
		<b>Capital Reserve</b>		
		<b>Capital Reserve on Consolidation (Subsidiary)</b>	—	54.92
		<b>General Reserve</b>		
		Balance at beginning of the year	4,998.82	4,998.82
		<b>Balance at the end of the year</b>	<b>4,998.82</b>	<b>4,998.82</b>
		<b>Revaluation Reserve</b>		
		Balance at beginning of the year	10.08	10.90
		<b>Less: Depreciation / Adjustment</b>	0.82	0.82
		<b>Balance at the end of the year</b>	<b>9.27</b>	<b>10.08</b>
		<b>Statutory Reserve</b>		
		Balance at beginning of the year	0.46	0.46
		<b>Balance at the end of the year</b>	<b>0.46</b>	<b>0.46</b>
		<b>Surplus in the statement of Profit and Loss</b>		
		Balance at beginning of the year	11,151.94	6,696.41
		Adjustment for Consolidation	(0.30)	—
		<b>Add: Profit for the year</b>	<b>5,743.38</b>	<b>4,795.37</b>
		<b>Less:</b>	—	—
		Proposed/Interim dividend	141.18	282.36
		Corporate Dividend Tax	28.74	57.48
		<b>Balance at the end of the year</b>	<b>16,725.10</b>	<b>11,151.94</b>
		<b>Total</b>	<b>39,877.93</b>	<b>34,360.50</b>

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# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017 (₹ in lacs)

NOTE 4 LONG TERM BORROWINGS	As at 31.03.2017		As at 31.03.2016	
	Non-Current	Current	Non-Current	Current
<b>Secured</b>				
Term Loans- From Banks	—	—	—	—
<b>Unsecured</b>			250.00	
<b>Total</b>	—	—	<b>250.00</b>	—

Note. Company has repaid outstanding balance of Term loan to SBI. During the current Financial year.

NOTE 5 DEFERRED TAX LIABILITY	As at 31.03.2017	As at 31.03.2016
Opening Balance	2,504.94	2,265.27
<b>Add:</b> On account of Timing difference in Depreciation	180.46	239.59
<b>Total</b>	<b>2,685.40</b>	<b>2,504.86</b>

NOTE 6 OTHER LONG TERM BORROWINGS	As at 31.03.2017	As at 31.03.2016
Interest free Loan in Lieu of VAT & CST (Refer Note No. 39)	10,373.96	8,791.40
<b>Total</b>	<b>10,373.96</b>	<b>8,791.40</b>

NOTE 7 SHORT TERM BORROWINGS	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>		
Cash Credit From Bank	4,502.98	5,732.96
<b>Unsecured</b>		
Unsecured Loan	—	3,133.65
<b>Total</b>	<b>4,502.98</b>	<b>8,866.61</b>

- 1) Cash credit is secured by Hypothecation of entire current assets of the company (present & future) consisting of Raw Material, SIP, Finished goods, Store & Spares and Book Debts and personal Guarantee of Mr. C.P. Agrawal, Mr. S.K. Agrawal, Mr. P.P. Agrawal and Mr. Nitin M. Kandoi.

NOTE 8 TRADE PAYABLES	As at 31.03.2017	As at 31.03.2016
Trade Payables	826.95	1,404.14
<b>Total</b>	<b>826.95</b>	<b>1,404.14</b>

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	9	OTHER CURRENT LIABILITIES	As at 31.03.2017	As at 31.03.2016
		Other Payables	563.81	797.74
		Advance from Customers	872.14	1,172.24
		Advance against Property	12,135.00	5,790.00
		Excess Cheque Issued	1,217.03	307.39
		<b>Total</b>	<b>14,787.98</b>	<b>8,067.37</b>

NOTE	10	SHORT TERM PROVISIONS	As at 31.03.2017	As at 31.03.2016
		Proposed Dividend	141.18	—
		Corporate Dividend Tax	28.74	—
		Provision for Income Tax (Net of Advance Tax and TDS)	20.01	11.89
		<b>Total</b>	<b>189.93</b>	<b>11.89</b>

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# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	11	TANGIBLE FIXED ASSETS	GROSS BLOCK						DEPRECIATION				NET BLOCK				
			Balance AS ON 01.04.2016	Additions during the period	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust – ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the period on Revalued figure	During the period charged to P&L	Sales/Adj During the Period	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
		Land	1,849.90			1,849.90		300.24	300.24	1,549.66	—	—	—	—	—	1,549.66	1,549.66
		Computer	57.17			57.17		4.40	4.40	52.77	43.55	3.67	3.67	—	47.22	5.55	9.22
		Vehicle	303.69	28.31	(32.14)	299.86		37.22	37.22	262.64	141.17	26.58	26.58	16.23	151.52	111.12	125.30
		Two Wheeler	5.04	—	—	5.04		0.56	0.56	4.48	2.20	0.39	0.39	—	2.58	1.89	2.28
		Office Equipment	50.52	3.41	—	53.94		3.19	3.19	50.74	27.49	5.65	5.65	—	33.14	17.60	19.84
		Furniture & Fixture	23.05	—	—	23.05		0.94	0.94	22.10	9.51	2.46	2.46	—	11.97	10.13	12.59
		Electrical Installation	1,060.46	—	—	1,060.46		160.45	160.45	900.01	397.40	95.28	95.28	—	492.67	407.34	502.62
		Factory Building (Common)	255.55	—	—	255.55		47.21	47.21	208.34	47.91	6.48	6.48	—	54.39	153.95	160.42
		Misc Assets	412.34	21.31	—	433.66		68.62	68.62	365.04	114.04	24.43	24.43	—	138.47	226.57	229.69
		Non Factory Building	771.12	—	—	771.12		115.66	115.66	655.46	69.18	10.33	10.33	—	79.51	575.95	586.28
		Factory Building (Flour Mill)	917.54	—	—	917.54		140.68	140.68	776.87	174.50	24.16	24.16	—	198.66	578.21	602.37
		Plant & Machinery (Flour Mill)	1,263.35	66.50	—	1,329.85		202.60	202.60	1,127.25	581.32	78.44	78.44	—	659.76	467.48	479.43
		Plant & Machinery (Rolling Mill)	4,008.84	—	—	4,008.84		765.94	765.94	3,242.90	1,337.21	184.33	184.33	—	1,521.54	1,721.36	1,905.69
		Plant & Machinery (SMS)	2,719.61	—	—	2,719.61		778.76	778.76	1,940.85	1,147.92	139.86	139.86	—	1,287.78	653.07	792.93
		Plant & Machinery (Sponge Iron)	5,908.32	—	—	5,908.32		96.19	96.19	5,812.13	1,476.70	207.98	207.98	—	1,684.68	4,127.45	4,335.43
		Factory Building (Rolling Mill)	1,627.37	—	—	1,627.37		178.79	178.79	1,448.57	286.59	45.29	45.29	—	331.88	1,116.69	1,161.99
		Factory Building (SMS)	1,463.53	—	—	1,463.53		264.21	264.21	1,199.32	274.05	37.30	37.30	—	311.34	887.98	925.28
		Factory Building (Sponge Iron)	1,809.75	—	—	1,809.75		—	—	1,809.75	310.06	56.93	56.93	—	367.00	1,442.76	1,499.69
		Office Building	232.35	15.00	—	247.35		—	—	247.35	14.09	3.64	3.64	—	17.74	229.61	218.25
		Railway Siding	900.91	—	—	900.91		—	—	900.91	226.54	59.91	59.91	—	286.46	614.46	674.37
		Pollution Equipment	224.26	—	—	224.26		—	—	224.26	24.86	12.43	12.43	—	37.29	186.97	199.40
		LAND (STEEL – BARGADWA)	63.55	—	—	63.55		—	—	63.55	—	—	—	—	—	63.55	63.55
		LAND (SARDAR NAGAR)	12.69	—	—	12.69		—	—	12.69	—	—	—	—	—	12.69	12.69
		LAND (BASTI)	6.61	—	6.61	—		—	—	—	—	—	—	—	—	—	6.61
		LAND (BIHAR)	11.71	—	11.71	—		2.94	—	—	—	—	—	—	—	—	8.77
		LAND LEASEHOLD UPSIDC	95.62	—	—	95.62		—	—	95.62	—	—	—	—	—	95.62	95.62
		BUILDING FACTORY (BORING NO.10)	119.68	—	—	119.68		—	—	119.68	86.45	6.94	6.12	—	93.38	26.29	332.3
		BUILDING FACTORY (BIHAR)	338.51	—	338.51	—		85.09	—	—	21.96	—	—	21.96	—	—	231.46
		BUILDING NON FACTORY (BIHAR)	94.68	—	94.68	—		23.80	—	—	3.18	—	—	3.18	—	—	67.70
		BUILDING FACTORY (BASTI)	55.27	—	55.27	—		—	—	—	27.49	—	—	27.49	—	—	27.79
		BUILDING NON FACTORY (BASTI)	5.06	—	5.06	—		—	—	—	1.24	—	—	1.24	—	—	3.82
		PLANT & MACHINERY (BASTI)	164.89	—	164.89	—		—	—	—	131.13	—	—	131.13	—	—	33.76
		PLANT & MACHINERY (BIHAR)	1,544.43	—	1,544.43	—		387.91	—	—	194.35	—	—	194.35	—	—	962.18
		MISC. FIXED ASSETS (BASTI)	20.33	—	20.33	—		—	—	—	16.66	—	—	16.66	—	—	3.67

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	11	TANGIBLE FIXED ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK				
Particulars			Balance AS ON 01.04.2016	Additions during the period	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust— ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the period on Revalued figure	During the period charged to P&L	Sales/Adj During the Period	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
		OFFICE EQUIPMENT (BASTI)	1.52	—	1.52	—		—	—	—	1.45	—	—	1.45	—	—	0.08
		COMPUTER (BASTI)	2.11	—	2.11	—		—	—	—	2.06	—	—	2.06	—	—	0.05
		COMPUTER (BIHAR)	1.07	—	1.07	—	(0)	0.27	—	—	0.68	—	—	0.68	—	—	0.12
		Total i)	28,402.40	134.54	2,214.05	26,258.59	(500.00)	3,665.66	3,165.66	23,092.93	7,192.95	1,032.47	1,031.65	416.44	7,808.97	15,283.95	17,543.79
		POWER PLANT															
		Factory Building (Power Plant)	1,774.75	—	—	1,774.75	—	—	—	1,774.75	268.20	55.91	55.91	—	324.11	1,450.64	1,506.55
		Plant & Machinery (Power Plant)	7,743.80	—	—	7,743.80	—	695.59	695.59	7,048.21	1,289.13	153.31	153.31	—	1,442.44	5,605.77	5,759.08
		Total ii)	9,518.55	—	—	9,518.55	—	695.59	695.59	8,822.96	1,557.33	209.21	209.21	—	1,766.54	7,056.41	7,265.63
		TOTAL (i+ii)	37,920.95	134.54	2,214.05	35,777.14	(500.00)	4,361.25	3,861.25	31,915.88	8,750.28	1,241.68	1,240.86	416.44	9,575.52	22,340.37	24,809.42

NOTE	12	INTANGIBLE ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK				
Particulars			Balance AS ON 01.04.2016	Additions during the period	SALES/ ADJ	Total	SALES/ ADJ	SUBSIDY	Adjust— ment of Subsidy etc.	Total as on 31.03.2017	As on 01.04.2016	During the period on Revalued figure	During the period charged to P&L	Sales/Adj During the Period	Total as on 31.03.2017	WDV as at 31.03.2017	WDV as at 31.03.2016
Computer Software			8.29	—	—	8.29	—	1.01	1.01	7.28	7.08	—	—	—	7.08	0.20	0.20
Total			8.29	—	—	8.29	—	1.01	1.01	7.28	7.08	—	—	—	7.08	0.20	0.20
GRAND TOTAL (Note 11 & 12)			37,929.24	134.54	2,214.05	35,785.43	[500.00]	4,362.26	3,862.26	31,923.17	8,757.36	1,241.68	1,240.86	416.44	9,582.60	22,340.57	24,809.62

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

<b>NOTE 13 NON CURRENT INVESTMENTS</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>Trade Investments</b>		—	—
<b>Non Trade Investments</b>			
Investment in Quoted Shares of Gallantt Metal Limited		7,519.25	5,855.25
Investment in Equity Instruments of subsidiary company		—	—
Investment in Unquoted shares		421.55	11.00
<b>Total</b>		<b>7,940.80</b>	<b>5,866.25</b>
<b>13.1 Investment in Equity Instruments of Associates co. Gallantt Metal Limited</b>			
Shares in Gallantt Metal Limited (At cost)- Quoted		4,267.98	3,919.18
(Capital reserve of Rs 9,392.43 Lacs arising on consolidation)			
Add Share in Post Acquisition Profit /Loss of Associate Co Gallantt Metal Limited		3,251.26	1,936.07
		<b>7,519.24</b>	<b>5,855.25</b>
<b>NOTE 14 LONG TERM LOANS AND ADVANCES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(Unsecured and considered good)</b>			
Advances		—	1,300.18
Security deposits		0.87	66.63
<b>Total</b>		<b>0.87</b>	<b>1,366.81</b>
<b>NOTE 15 INVENTORIES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(At lower of cost or net realisable value)</b>			
Raw materials		3,053.11	2,612.58
Finished goods		439.89	1,286.55
Consumables stores and spares		1,228.42	1,011.70
Land at real Estate Business		367.97	489.08
<b>Total</b>		<b>5,089.39</b>	<b>5,399.91</b>
<b>NOTE 16 TRADE RECEIVABLES</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
<b>(Unsecured and considered good)</b>			
Outstanding for a period within six months		1,687.44	3,631.53
Outstanding for a period exceeding six months		331.20	344.62
<b>Total</b>		<b>2,018.64</b>	<b>3,976.15</b>

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

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NOTE	17	CASH AND CASH EQUIVALENTS	As at 31.03.2017	As at 31.03.2016
		Balance with Banks	183.32	133.45
		Cash in hand	33.05	249.33
		Fixed deposits with Banks	206.74	388.23
		<b>Total</b>	<b>423.11</b>	<b>771.01</b>
NOTE	18	SHORT TERM LOANS AND ADVANCES	As at 31.03.2017	As at 31.03.2016
		Prepaid expenses	30.04	25.03
		Mat Credit Entitlement	3,676.12	2,693.31
		Balance with government authorities:		
		- Excise & Service Tax	228.84	142.99
		- VAT	147.24	91.85
		- Other	585.11	720.00
		- Pradeshia Industrial & Investment Corporation of U.P. Ltd (PICUP)	20,349.23	17,125.45
		Others	2,302.60	1,740.82
		<b>Total</b>	<b>27,319.18</b>	<b>22,539.45</b>
	18.1	Mat Credit Entitlement		
		Opening Balance	2,693.31	2,032.01
		<b>Add:</b> Addition during the year	982.82	661.31
		<b>Total</b>	<b>3,676.13</b>	<b>2,693.32</b>
NOTE	19	OTHER CURRENT ASSETS	As at 31.03.2017	As at 31.03.2016
		Preliminary Expenses (to the extent not written off)		29.85
		Pre Operative Expenses	—	0.14
		<b>Total</b>	<b>—</b>	<b>29.99</b>



# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	20	REVENUE FROM OPERATIONS	Period Ended 31.03.2017	Period Ended 31.03.2016
		Sale of Products	45,438.78	61,289.64
		Income from Real Estate Division	1,040.32	827.61
		Less: Excise Duty	4,008.49	4,152.49
		<b>Total</b>	<b>42,470.61</b>	<b>57,964.76</b>
	20.1	Particulars of Sale of Products Net of Excise Duty		
		Maida	4,801.02	13,964.70
		Suji	1,325.72	3,455.30
		Atta	346.36	1,634.42
		Bran	1,250.67	4,865.45
		Daliya	4.05	155.47
		Sponge Iron	—	658.71
		M.S Bar	33,524.82	32,455.22
		Miss rolled Bar	48.76	46.10
		Others	205.51	125.27
		<b>Revenue</b>	<b>41,506.91</b>	<b>57,360.64</b>
		<b>Less:</b> Cash Discount	7.02	22.66
		Claims on sales	69.60	200.83
		<b>Add:</b> Excise Duty	4,008.49	4,152.49
		<b>Total</b>	<b>45,438.78</b>	<b>61,289.64</b>
NOTE	21	OTHER INCOMES	Period Ended 31.03.2017	Year Ended 31.03.2016
		Miscellaneous Income	43.80	118.90
		<b>Total</b>	<b>43.80</b>	<b>118.90</b>
NOTE	22	CHANGES IN INVENTORIES OF FINISHED GOODS	Period Ended 31.03.2017	Period Ended 31.03.2016
		Inventories at the beginning of the year:		
		Finished Goods	1,286.55	971.21
		<b>Total</b>	<b>1,286.55</b>	<b>971.21</b>
		Inventories at the end of the year:		
		Finished Goods	439.89	1,286.55
		<b>Total</b>	<b>439.89</b>	<b>1,286.55</b>
		<b>Net Decrease/(Increase)</b>	<b>846.66</b>	<b>-315.35</b>

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

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NOTE	23	COST OF MATERIALS CONSUMED	Period Ended 31.03.2017	Period Ended 31.03.2016
		Opening Stock	2,572.69	2,869.12
		Add: Purchases	26,764.53	41,700.57
		Expenses on Raw Material	378.78	383.68
		Freight on Iron Ore	221.06	88.12
		Freight on Coal	2,519.05	2,706.85
		Freight On Wheat	86.01	253.98
		<b>Total</b>	<b>32,542.12</b>	<b>48,002.32</b>
		Less: Closing Stock	3,421.07	3,101.66
		<b>MATERIALS CONSUMED</b>	<b>29,121.05</b>	<b>44,900.66</b>

	23.1	PARTICULARS OF MATERIAL CONSUMED	Period Ended 31.03.2017	Period Ended 31.03.2016
		Wheat	6,270.41	20,213.94
		Iron Ore	2,616.61	1,320.95
		Pellets	3,062.38	6,311.08
		Coal	8,559.77	9,954.05
		Dolomite	156.19	160.33
		Refractories	187.57	206.51
		Scrap	650.76	42.30
		Others	7,617.36	6,691.50
		<b>Total</b>	<b>29,121.05</b>	<b>44,900.66</b>

	23.2	COST OF MATERIALS CONSUMED	2016-17		2015-16	
			₹ In Lacs	% of Total	₹ In Lacs	% of Total
		Imported	2,119.61	7.28%	4,652.07	10.36%
		Indigenous	27,001.44	92.72%	40,248.59	89.64%
		<b>Total</b>	<b>29,121.05</b>	<b>100.00%</b>	<b>44,900.66</b>	<b>100.00%</b>

NOTE	24	EMPLOYEE BENEFIT EXPENSES	Period Ended 31.03.2017	Period Ended 31.03.2016
		Salary, Wages and Bonus	899.67	615.34
		Contribution to Provident and other Fund	60.73	56.31
		Staff Welfare expenses	11.47	4.04
		<b>Total</b>	<b>971.87</b>	<b>675.69</b>

	25	FINANCIAL COST	Period Ended 31.03.2017	Period Ended 31.03.2016
		Interest Expenses	361.97	758.33
		Other Borrowing Cost	61.56	86.78
		<b>Total</b>	<b>423.53</b>	<b>845.11</b>

	26	DEPRECIATION AND AMORTIZATION EXPENSES	Period Ended 31.03.2017	Period Ended 31.03.2016
		Depreciation on Tangible Assets	1,240.86	1,394.51
		<b>Total</b>	<b>1,240.86</b>	<b>1,394.51</b>

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

NOTE	27	OTHER EXPENSES	Year Ended 31.03.2017	Year Ended 31.03.2016
		<b>Manufacturing Expenses:</b>		
		Consumption of stores and spare parts	849.38	1,115.15
		Repairs to Plant & Machinery	212.35	290.82
		Repairs to others	114.41	151.20
		Handling Expenses	553.39	436.18
		Power & Fuel	3,475.56	4,354.27
		Packing Material Consumed	160.13	213.51
		<b>Selling &amp; Administration Expenses:</b>		
		Audit Fees	4.70	4.87
		Environmental exp	267.56	6.84
		Selling & Distribution Exp.	284.11	347.35
		Rates ,Taxes & Fees	92.85	37.79
		Insurance Exp.	46.40	46.88
		Misc. Exp.	38.63	48.80
		Power & Fuel (Office)	16.01	12.27
		Printing & Stationary	2.98	1.24
		Telephone Exp.	13.32	17.00
		Travelling & conveyance Exp.	55.11	29.81
		Director Remuneration	52.80	63.60
		Foreign Currency Conversion Loss(Net)	(3.72)	177.78
		Expenses for Corporate Social Responsibility	55.00	42.00
		<b>Total</b>	<b>6,290.97</b>	<b>7,397.36</b>

	28	VALUE OF STORES, CHEMICALS AND PACKING MATERIALS CONSUMED	2016-17		2015-16	
			₹ In Lacs	% of Total	₹ In Lacs	% of Total
		Imported	23.21	2.30%	28.88	2.17%
		Indigenous	986.30	97.70%	1,299.79	97.83%
		<b>Total</b>	<b>1,009.51</b>	<b>100.00%</b>	<b>1,328.67</b>	<b>100.00%</b>

NOTE	29	VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF	Year Ended 31.03.2017	Year Ended 31.03.2016
		Raw Material	2,119.61	4,652.07
		Stores, Chemical and packing Material	23.21	28.88
		Capital Goods	31.80	—
		<b>Total</b>	<b>2,174.62</b>	<b>4,680.95</b>

	30	EARNING PER SHARE	Year Ended 31.03.2017	Year Ended 31.03.2016
(i)		Net Profit After Tax as per statement of Profit And Loss attributable to Equity Shareholder (Rs.)	57,43,38,256	47,95,37,397
(ii)		Weighted Average number of equity share used as denominator for calculating Basic EPS	2,82,36,072	2,82,36,072
(iii)		Weighted Average number of equity share used as denominator for calculating Diluted EPS	2,82,36,072	2,82,36,072
(iv)		Basic Earning per Share (Rs.)	20.34	16.98
(v)		Diluted Earning per Share (Rs.)	20.34	16.98
(vi)		Face Value Per Share (Rs.)	10.00	10.00

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

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NOTE	31	RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)
I.	Associate or Subsidiary Company & Firm	Gallant Metal Ltd Chandra Prakash Agrawal & Sons (HUF) Prem Prakash Agrawal HUF Shrinu Steel Works Pvt Ltd. Shrinu Agro Pvt Ltd. Bhavika Steel Agencies Pvt Ltd. Shikharji Rolling Mills Pvt Ltd. Satlaj Ispat Pvt Limited Satlaj Flour Mills Pvt Ltd. Shikharji Steel & Agro Products Pvt Ltd. Gyanika Flour Mills Pvt Ltd.
II.	Key Managerial Personnel	Mr.Chandra Prakash Agrawal Mr.Prem Prakash Agrawal Mr.Nitin M Kandoi Mr. Santosh Kumar Agrawal Mr.Mayank Agrawal Mr. Amit Jalan Mr. Nitesh Kumar
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal Mr. Ashutosh Agrawal Mrs. Smriti Agrawal Mrs. Shyama Agrawal Mrs. Shruti Kandoi Mrs. Pallavi Agrawal Mrs. Uma Agrawal

RELATED PARTY TRANSACTION				
Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	—	86.18	50.40	136.58
	—	(70.36)	(50.40)	(120.76)
Interest paid	—	—	—	—
	(85.68)	—	—	(85.68)
Loan Taken	—	—	—	—
	(3,619.32)	—	—	(3,619.32)
Loan Repaid	—	—	—	—
	(3,619.32)	—	—	(3,619.32)
Purchase	30.78	—	—	30.78
	(5.78)	—	—	(5.78)
Sale	74.09	—	3.28	77.37
	(145.13)	(18.55)	(1.65)	(165.32)
Lease Rent Paid/ Received	—	—	—	—
	(14.31)	—	—	(14.31)
Advance Received Against Land	—	—	—	—
	(1,225.00)	—	—	(1,225.00)
Repayment of Advance Received Against Land	—	—	—	—
	(500.00)	—	—	(500.00)

The Amount Shown in Bracket ( ) Denotes Previous year figure

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

## NOTE 32 EMPLOYEE BENEFITS DISCLOSURE AS PER AS-15

### Defined Contribution Plans

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

Particulars	2016-17	2015-16
Employer' contribution to Provident Fund	28.78	33.39
Employer' contribution to ESIC	14.06	10.65

### 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":	2016-17	2015-16
<b>(a) Component of Employer Expenses</b>		
(i) Current Service Cost	38.82	30.21
(ii) Interest Cost	9.26	5.77
(iii) Expected return on Assets	5.44	5.10
(iv) Actuarial (Gain / Losses )	(47.33)	19.46
(v) Total Expenses	(4.69)	50.34
<b>(b) Net Assets (Liability)</b>		
(i) Present Value of defined benefit obligation	129.56	127.72
(ii) Fair Value of Plant Assets	96.81	75.00
(iii) Fund Status (Surplus/ Deficit)	(32.75)	(52.72)
(iv) Net Assets / (Liability)	(32.75)	(52.72)
<b>(c) Change in obligation during the year</b>		
(i) Present value of defined benefit obligation at the beginning of the year	127.72	72.35
(ii) Current Service Cost	38.82	30.21
(iii) Interest Cost	9.26	5.77
(iv) Actuarial (Gain / Losses)	(46.24)	19.86
(v) Benefit Payment	—	(0.47)
(vi) Present value of defined Benefit obligation at the end of the year	129.56	127.72
<b>(d) Change in Assets</b>		
(i) Plan Assets at the beginning of the year	75.00	63.71
(ii) Expected return on Plant Assets	5.44	5.10
(iii) Actuarial ( Gain/ Loss)	1.09	0.40
(iv) Plan Assets at the end of the year	96.81	75.00
<b>(e) Actuarial Assumption</b>		
(i) Discount Rate	7.25%	8.00%
(ii) Expected return on Assets	7.25%	8.00%
(iii) Salary Increase	9.00%	9.00%
(iv) Mortality	IALM 2006-08	IALM 2006-08

## NOTE 33 SEGMENT REPORT

### (A) Primary Segment (By Business Segment)

The Company is engaged in the business of production of Steel Products, Wheat Products & Power. The Company has three reportable business segments i.e. Steel, Agro & Power which have been identified in line with the A.S. -17 "Segment Reporting". Consequent upon amalgamation of Gallantt Udyog Limited with the Company, entire business including Real Estate business of Gallantt Udyog Limited is transferred to the Company. Hence, Real Estate is a new business segment of the Company. Information about Primary Segment is as follows:

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

**GALANIT**

Notice

Board and Management Reports

Standalone Financial Reports

Consolidated Financial Reports

SEGMENT WISE REPORTING		
Particulars	2016-17	2015-16
<b>1 Segment Revenue</b>		
(A) Agro	7,652.11	23,871.35
(B) Steel	33,778.18	33,265.80
(C) Power	5,845.50	5,462.77
(D) Real Estate	1,040.32	827.61
(E) Unallocated Income	1,059.40	118.90
<b>Total Segment Revenue</b>	<b>49,375.51</b>	<b>63,546.43</b>
Less: Inter Segment Revenue-Power	5,845.50	5,462.77
<b>Net Sales/Income from Operation</b>	<b>43,530.01</b>	<b>58,083.66</b>
<b>2 Segment Result</b>		
(A) Agro	379.16	1,755.90
(B) Steel	(560.02)	(1,440.38)
(C) Power	3,494.87	3,210.39
(D) Real Estate	919.21	741.58
<b>Total Segment Result</b>	<b>4,233.22</b>	<b>4,267.49</b>
Add: Unallocated Income	1,058.14	—
Less: Interest	423.53	845.10
Less: Other Unallocable Expenses (Net)	257.36	243.53
<b>Total Profit before Tax</b>	<b>4,610.47</b>	<b>3,178.86</b>
<b>3 Segment Assets</b>		
(A) Agro	2,146.59	8,912.80
(B) Steel	40,370.48	39,613.16
(C) Power	7,056.42	7,348.92
(D) Real Estate	611.88	1,288.54
(E) Unallocated	25,883.37	9,923.12
	<b>76,068.74</b>	<b>67,086.54</b>
<b>Segment Liability</b>		
(A) Agro	2,118.20	4,745.50
(B) Steel	15,938.18	18,889.75
(C) Power	—	—
(D) Real Estate	—	—
(E) Unallocated	15,310.82	6,267.18
	<b>33,367.20</b>	<b>29,902.43</b>
<b>4 Capital Employed</b>		
(A) Agro	28.39	4,167.30
(B) Steel	24,432.30	20,723.41
(C) Power	7,056.42	7,348.92
(D) Real Estate	611.88	1,288.54
(E) Unallocated	10,572.55	3,655.94
<b>Total Capital Employed</b>	<b>42,701.54</b>	<b>37,184.11</b>

## (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.

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

(₹ in lacs)

34	CONTINGENT LIABILITIES	2016-17	2015-16
	Contingent liabilities not provided for in respect of:		
(i)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00	210.00
(ii)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	356.00	223.00
(iii)	Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00	2.00
(iv)	Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00	4.00
(v)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	32.00	6.48
(vi)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	48.00	0.00
(vii)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	625.00	0.00
(viii)	Irrevocable Letter of Credit Issued by State Bank of India in favour of Adani Globle Pte Ltd amounting to USD 777348.00 for Supply of Non Coking Coal. (Rate as on 31.03.2017 1USD = ₹ 64.8386 ).	504.02	0.00
(ix)	In respect of Wheat price for the year 1991-92 to the extent of ₹3.71 Lacks being the wheat supplied by Food Corporation of India at an enhanced rate, which is disputed.	3.71	3.71
(x)	A search operation was carried out by Income Tax Authorities on 27.02.2014 & 28.02.2014, company has moved to settlement commission and the due taxes had already been paid by the company. However, during the course of proceedings of assessment procedure further demand, if any, arises at the time of order from Honourable Settlement Commission, the same will be considered at due time. However at present there is no demand raised by any Income tax authority.		

35	MANAGERIAL REMUNERATION PAID/PAYABLE TO DIRECTORS	2016-17	2015-16
	<b>Managing Director</b>		
	Remuneration	15.60	13.20
	<b>Whole Time Director/ Director</b>		
	Remuneration	46.80	35.39
	During the year the company has paid ₹ 79,000 against sitting fee to the directors. The Company has not given any perquisite to its directors during the year.		
	<b>Payment to Auditors</b>		
i)	Audit Fees	2.50	2.50
ii)	Tax and VAT Audit Fees	0.25	0.25
iii)	Other Services (Certification fees)	1.13	0.67
	<b>Total</b>	<b>3.88</b>	<b>3.42</b>

## Note 36

### Impairment of Assets

Pursuant to the Accounting Standard (AS 28)- "Impairment of Assets" issued by The Institute of Chartered Accountant of India, the Company assessed its fixed assets for impairment as at March 31, 2017 and concluded that there is no significant impairment in fixed asset that needs to be recognized in the books of accounts.

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

## Note 37

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

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

## Note 38

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

- (a) In accordance with the approval of the shareholders through postal ballot and e-voting, during the year, two flour mill units of the Company viz. Flour Mill Unit located at Gram-Mauja, Chipili, Thana-Durgavati, Kaimur, Bhabhua, Bihar (hereafter referred to as "Bihar Unit") and Flour Mill Unit located at 60 K.M. Stone, Gorakhpur-Lucknow Highway, Sabdaiyan Kalan, Basti, Uttar Pradesh (hereinafter referred to as the "Basti Unit") have been sold. Also, during the year, Company has sold some of the misc. assets. Exceptional Items includes adjusted profit amounting to ₹ 959.60 Lacs on sale of Bihar Unit and Basti Unit and other Misc assets and profit on sale of shares in subsidiaries amounting to ₹ 56.00 Lacs.
- (b) In pursuance to the notification no. 308(e) dated 30.03.2017 issued by Ministry of Corporate Affairs, we hereby produce the details of SBNs (Specified Bank Notes) held and transacted during the period 08.11.2016 to 30.12.2016.

(₹ In Lacs)

Particulars	SBNs	Other De-nomination Notes	Total
Closing Cash in Hand as on 08.11.2016	405.00	41.70	446.70
(+) Permitted Receipts	0.00	60.50	60.50
(-) Permitted Payments	0.00	54.41	54.41
(-) Amount Deposited in Banks	405.00	0.95	405.95
Closing Cash in Hand as on 30.12.2016	0.00	46.84	46.84

## Note 39

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time, the company is eligible for Interest free loan equivalent to the amount of VAT & CST liability

for 15 years and which shall be re-payable after 15 years. The company has claimed ₹ 10373.96 lacs up to 31st March 2017 (upto previous year ₹ 8791.40 Lacs) on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 10373.93 lacs, ₹ 8801.58 lacs has not been deposited to Commercial Tax department in accordance with an order of Hon'ble High Court of Allahabad in writ petition no. 8886/2011, and order in writ petition no. 21103 dated 16.11.2016. However, ₹ 1572.39 Lacs have already been deposited upto August, 2011.

## Note 40

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

## Note 41

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. During the year company has provided an amount of ₹ 3223.77 lacs (Previous year ₹ 3558.24 lacs), which has been adjusted with freight paid on Iron Ore in Profit Loss account and shown as Advance recoverable in Balance sheet. The total amount receivable against the freight subsidy as on 31.03.2017 was ₹ 18776.84 lacs (Previous year ₹15553.07 Lacs).

## Note 42

As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time the company is eligible for various incentives and benefits which includes Capital



# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

Investment subsidy, Infrastructure Subsidy, additional capital subsidy, Freight Subsidy and interest free loan against VAT & CST.

The State Government has disbursed part payment of ₹ 24.28 crores of the subsidy on the investment made till May, 31, 2009 to the company as we were declared eligible for the subsidy and other benefits. We have further submitted our Capital subsidy claim of ₹ 98.34 crores adjusting ₹ 24.28 crores already received, on the investment made up to May 31, 2012 and a claim of ₹187.77 crores as freight subsidy and refund of already deposited VAT/CST ₹ 15.72 crores due up to March 2017 making a total of ₹ 301.83 crores as on March 2017 which is pending for disbursement before the nodal agency (PICUP) of the scheme. As the state Government vide its order dated 18.11.2011 and 11.02.2015 refused the balance payment of subsidies, we have filed writ petition before the Hon'ble High Court of Allahabad, Lucknow Bench and Hon'ble High Court, Allahabad vide its order and judgment dated 05.11.2015 directed State Government to pay subsidies forthwith as per scheme and take a fresh decision within three months in relation to the benefits of interest free loan against VAT; and

have also stayed recovery of taxes till a fresh decision is taken. State Government has filed an SLP before the Hon'ble Supreme Court challenging this order which was dismissed on 29.02.2016 resulting order of the Hon'ble High Court dated 05.11.2015 becomes final.

State Government, in its meeting held on 04.04.2016 decided to make payment of subsidies as directed by Hon'ble High Court and have further decided to seek six months time from, Hon'ble High Court and have moved an application which has been rejected by the hon'ble high Court directing the State Government to appraise the Petitioner about the decision taken not later than three weeks. Thereafter State Govt. Changed its decision dated 04.04.2016 and issued a new Govt Order Dated 30.06.2016 by which benefits of the scheme were made limited. This Govt Order limiting the benefit has been challenged before the Hon'ble High Court vide writ petition No 21103 which is pending for decision.

## Note 43

### Unpaid and Unclaimed Amount of Dividend and Share Application Money

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2017

Nature of Money	Relevant F.Y.	Bank Account Details	Amount Lying (₹ in Lacs)
Share Application Money	2010-11	HDFC Bank Account No. 00142300001609	71,900.00
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	9,929.00
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	5,419.00
Final Dividend for 2013	2012-13	IDBI Bank Account No. 0135103000007344	17,307.00
Final Dividend for 2014	2013-14	IDBI Bank Account No. 0135103000007900	3,026.50
Final Dividend for 2015	2014-15	IDBI Bank Account No. 0135103000008587	3,109.00
Interim Dividend for 2016	2015-16	ICICI Bank Account No. 001105026007	3,929.00

## Note 44

### Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 10/- per share. The equity shareholders are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) are in proportion to its shares of the paid up equity capital of the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

## Note 45

Gallantt Udyog Limited (amalgamated with the Company and hereinafter referred to as "GUL") had

entered into Builder Agreement dated January 27, 2012 with M/s. SAS Hotels & Properties Private Limited (now known as Shalimar Corp Ltd), an Indian Company within the meaning of Companies Act, 1956 inter alia engaged in the business real estate. Pursuant to the Agreement, GUL had entered into real estate business with "Shalimar Corp Ltd. Pursuant to the agreement as above, GUL had offered and granted exclusive rights to Shalimar Corp Ltd. to develop residential complexes on Company's land located at Shankerpurwa, Islabari, Lucknow, Uttar Pradesh. As a consideration for the said agreement company is receiving 13% share of the total sales realisation. Further, agreement as above states that Shalimar Corp Limited to develop the properties and to market the same for mutual benefits of the parties. As decided by the parties to the Builder Agreement, the project is being developed as residential complex in the name and style of "SHALIMAR GALLANT".

# Consolidated Notes to the Financial Statements as at and for the year ended 31st March, 2017

## Note 46

Company had extended Corporate Guarantee of ₹10,000 Lacs in favour of Punjab National Bank (PNB) against granting of Financial Accommodation by PNB to Shalimar Corp Limited. Shalimar Corp Limited has repaid Term Loan in full and loan account has been closed. Simultaneously, Corporate Guarantee extended by the Company has been released and necessary formalities have been complied with by the Company.

## Note 47

During the year Company has disposed off two subsidiaries M/s. Shree Surabhi Flour Mills Private Limited (Surabhi Flour) and M/s. Shree Surabhi Wheat Products Private Limited (Surabhi Wheat). Company has acquired eight Wholly Owned Subsidiaries during the year namely M/s. Shikharji Rolling Mills Private Limited, M/s. Shikharji Steel & Agro Products Private Limited, M/s. Bhavika Steel Agencies Private Limited, M/s. Shrinu Agro Private Limited, M/s. Shrinu Steel Works Private Limited, M/s. Gyanika Flour Mills Private Limited, M/s. Satlaj Ispat Private Limited and M/s. Satlaj Flour Mills Private Limited. At their meeting held on March 23, 2017, Company has approved amalgamation of these eight subsidiaries with the Company. Appointed Date for the Scheme of Amalgamation is April 01, 2016. As per the provisions of Section 233 of the Companies Act, 2013, Scheme has been placed before the Honourable Registrar of Companies, West Bengal and Official Liquidator, Calcutta High Court for their In-principle approval.

As Company holds more than twenty percent shareholding of Gallantt Metal Limited and hence, Gallantt Metal Limited has been termed as Associate of the Company within the meaning of Section 2(6) of the Companies Act, 2013.

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

**(Amit Kumar Srivastava)**  
Partner  
Membership No. 517195  
Place : Kolkata  
Dated : 04.05.2017

## Note 48

Board of Directors of the Company has recommended Dividend to the shareholders of the Company Re. 0.5/- (Paise Fifty only) per Equity Share for the financial year 2016-17. Total out flow on account of Dividend is ₹1,41,18,036/- subject to tax.

## Note 49

Corporate social responsibility As per Section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised throughout the year on the activities which are specified in Schedule VII of the Act. The utilisation is done by way of direct contribution towards aforesaid activities. Details of the CSR have been given in the Directors' Report in the Annual Report. The Company continues to earmark a corpus every year for CSR activities. The Gallantt CSR Team under the guidance of CSR Committee is responsible for championing all philanthropy and CSR initiatives of the Company. The mission of Gallantt is committed to being participants of progress by supporting initiatives in education and child welfare to help measurably improve the lives of underprivileged children among others.

## Note 50

### DISCLOSURE PURSUANT TO LISTING REGULATIONS 29

There are no loans and advances in nature of loans outstanding from subsidiary for the year ended March 31, 2017

## Note 51

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

**(C.P. Agrawal)**  
Chairman & Managing Director

**(Amit Jalan)**  
Chief Financial Officer

**(S.K. Agrawal)**  
Whole time Director

**(Nitesh Kumar)**  
Company Secretary

**BUSINESS RESPONSIBILITY STATEMENT (Part of the Directors Report) Annual Report 2016-17**

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1	Corporate Identity Number (CIN) of the Company	L27109WB2005PLC101650
2	Name of the Company	GALLANTT ISPAT LIMITED
3	Registered address	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069.
4	Website	www.gallantt.com
5	E-mail id	nitesh@gallantt.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Steel, Power, Agro and Real Estate
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Steel, Power, Agro and Real Estate
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Only one plant of Steel and Agro Unit is located at "Plot No. AL-5, Sector – 23, Gorakhpur Industrial Development Authority (GIDA), Sahjanwa, Gorakhpur, Uttar Pradesh". Registered Office at 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069. Also, Company has real estate project located at Mahanagar, Lucknow, Uttar Pradesh.
10	Markets served by the Company – Local/State/National/International	Local/State/National

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

	Paid up Capital (INR)	28,23,60,720/-
	Total Turnover (INR)	4,24,70,61,140/-
	Total profit after taxes (INR)	<b>44,24,70,363/-</b>
	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer annexure to the Board Report regarding CSR
	List of activities in which expenditure in 4 above has been incurred.	Please refer annexure to the Board Report regarding CSR

**SECTION C: OTHER DETAILS**

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

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

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

**2. Details of BR Head**

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

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

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

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

**3. Governance related to BR**

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

**SECTION E: PRINCIPLE-WISE PERFORMANCE****PRINCIPLE 1****ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

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

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

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

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

*These policies cover the Company, subsidiaries.*

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

- The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company received 1 (one) complaint from shareholders which has been resolved.

**PRINCIPLE 2****PRODUCT LIFE CYCLE SUSTAINABILITY**

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

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

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

Our three major products are Sponge Iron, Re-Rolled Products and Agro Products. We make all efforts to ensure that we produce, in a safe and environmentally responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, improved water and energy consumption and reduced our tailings to optimally use available natural resources.

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

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

Our product movements to consumers take place through rail and roadways. The environmental impacts like dust emission during transportation of coal, iron ore, lime etc., final products and road dust etc. have been identified. All safety and environmental protocols are followed and proper training is provided for handling. At material handling areas for coal and iron ore, new technologies are installed with proper water sprinklers. Ore transport from the railways to the factory point is carried out through trucks with properly covered to ensure no spillage and dust generation.

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

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

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

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

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

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

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

**PRINCIPLE 3:**

**EMPLOYEE WELL-BEING**

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

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

1. Please indicate the Total number of employees.	382
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.	280
3. Please indicate the Number of permanent women employees.	6 (included in above 1)
4. Please indicate the Number of permanent employees with disabilities.	Nil
5. Do you have an employee association that is recognized by management?	No

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

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

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

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

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

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

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

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

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

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

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

Gallantt Ispat Limited has received no such complaint pertaining to sexual harassment during the reporting year 2016-17.

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

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

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

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

**3. Potential environmental risks**

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

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

No such project.

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

Not undertaken.

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

Yes, all emission/waste generated by the Company are within the permissible limits given by CPCB/SPCB in 2016-17.

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

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

**Principle 7: Policy Advocacy****1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

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

1. Chamber of Industries, Gorakhpur
2. Indian Industries Association, Lucknow

**2. Advocating through above associations for the advancement or improvement of public good**

Yes, Gallantt Ispat Limited is actively involved in the following areas for advocating public good:

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

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT****1. Specified programmes/initiatives/projects in pursuit of the policy related to Principle 8.**

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

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



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

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

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

The Company is socially committed to focus these areas:

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

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

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

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

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

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

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

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

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

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

No case has been filed by stakeholders against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during the last five years. Therefore, no such cases remain pending as on the end of the financial year 2016-17.

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

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

On behalf of the Board

Place: Kolkata  
Date: August 01, 2017

**C. P. Agrawal**  
Chairman

**GALLANTT ISPAT LIMITED**

CIN:L27109WB2005PLC101650

Registered Office: 1, Crooked Lane, Second Floor, Room Nos. 222 &amp; 223, Kolkata – 700069

Phone No. 033-40642189, Fax No. 033-40642189

E-mail : nitesh@gallantt.com

FORM MGT - 12

**ATTENDANCE FORM/BALLOT FORM**

Annual General Meeting, Tuesday, the 26th day of September, 2017 at 2.00 p.m. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy / Authorised Representative, if any	

I/We hereby exercise my/our attendance/vote(s) in respect of the resolutions set out in the Notice of 13th Annual General Meeting (AGM) of the Company to be held on Tuesday, 26th September, 2017, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below :

Resolutions No.	Resolution(s)	No. of Shares	(For) I/We Assent to the Resolution	(Against) I/We Dissent to the Resolution
	<b>Ordinary Business</b>			
1	To receive, consider and adopt Audited Financial Statements of the Company for the year ended March 31, 2017 together with the Report of the Board of Directors and Independent Auditors report thereon; and b) Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017 together with Independent Auditors Report thereon.			
2	To confirm payment of Final Dividend on Equity Shares for the Financial Year ended 31st March, 2017.			
3	Re-Appointment of Mr. Santosh Kumar Agrawal (DIN: 01045228) as Director who is retiring by rotation.			
4	Ratification of appointment of Auditors.			
	<b>Special Business</b>			
5	Approval of payment of Remuneration to Cost Auditor.			
6	Approval for increase in Remuneration of Mr. Chandra Prakash Agarwal (DIN: 01814318), Managing Director of the Company.			
7.	Approval for increase in Remuneration of Mr. Prem Prakash Agarwal (DIN: 01397585), Whole-time Director of the Company.			
8.	Approval for increase in Remuneration of Mr. Santosh Kumar Agarwal (DIN: 01045228), Whole-time Director (Director – Sales & Marketing) of the Company.			
9.	Approval for increase in Remuneration of Mr. Nitin M Kandoi (DIN: 01979952), Whole-time Director (Director – Plant Operation) of the Company.			
10.	Appointment of Mr. Tarun Kumar Gupta (DIN: 07767894) as an Independent Director upto March 17, 2022.			

Signature of Shareholder/ Proxy/ Authorised Representative

**Note:** This Form is to be used for exercising attendance/voting at the time of 13th Annual General Meeting to be held on Tuesday, the 26th September, 2017 by Shareholders/Proxy. Duly filled in and signed ballot form should be dropped in the Ballot Box kept at the Venue of AGM.



**GALLANTT ISPAT LIMITED**

CIN:L27109WB2005PLC101650

Registered Office: 1, Crooked Lane, Second Floor, Room Nos. 222 &amp; 223, Kolkata – 700069

Phone No. 033-40642189, Fax No. 033-40642189, E-mail : nitesh@gallanttt.com

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

FORM MGT - 11

**FORM OF PROXY**

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

\*Applicable for Investors holding shares in electronic form.

I / We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

2.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

3.	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, the 26<sup>th</sup> day of September, 2017 at 2.00 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017**, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

\*\* I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Resol. No.	Resolution(s)
	<b>Ordinary Business</b>
1	To receive, consider and adopt Audited Financial Statements of the Company for the year ended March 31, 2017 together with the Report of the Board of Directors and Independent Auditors report thereon; and b) Audited Consolidated Financial Statements of the Company for the year ended March 31, 2017 together with Independent Auditors Report thereon.
2	To confirm payment of Final Dividend on Equity Shares for the Financial Year ended 31st March, 2017.
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5	Approval of payment of Remuneration to Cost Auditor.
6	Approval for increase in Remuneration of Mr. Chandra Prakash Agarwal (DIN: 01814318), Managing Director of the Company.
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9.	Approval for increase in Remuneration of Mr. Nitin M Kandoi (DIN: 01979952), Whole-time Director (Director – Plant Operation) of the Company.
10.	Appointment of Mr. Tarun Kumar Gupta (DIN: 07767894) as an Independent Director upto March 17, 2022.

Signed this ..... day of ..... 2017.

Affix Re.1 Revenue Stamp
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Signature of Shareholder

Signature of Proxy holder(s)

**Notes:**

- This form should be signed across the stamp as per specimen signature registered with the Company.
- This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.





Registered Post



[www.gallantt.com](http://www.gallantt.com)

*If undelivered, please return to :*

**GALLANTT ISPAT LTD.**

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