

GIL/DEL/2019-20

18.01.2020

Corporate Relationship Manager Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street, Mumbai- 400 001 INDIA Scrip Code: 533265	Corporate Relationship Manager National Stock Exchange of India Limited "EXCHANGE PLAZA", Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051 INDIA Scrip Code: GALLISPAT
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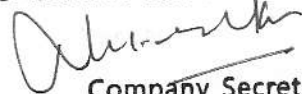
Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Amalgamation of Gallantt Ispat Limited, AAR Commercial Company Limited, Hipoline Commerce Private Limited, Lexi Exports Private Limited and Richie Credit and Finance Private Limited with Gallantt Metal Limited

RATIONALE FOR THE SCHEME

- i. The Transferee Company is a pioneer in the Steel and Power sector and is able to attract the best talents available in the industry. The Transferee Company is having its footprints spanning across Gujarat, Maharashtra and Rajasthan. In the same way, The Transferor Company 1 is a pioneer in the Steel, Power and Agro sector and has its presence in and is having its footprints spanning across Uttar Pradesh, Bihar, Jharkhand and Delhi NCR.
- ii. The Transferor Company No. 1 and Transferee Company are under same Promoter Group. Thus, the amalgamation of the two companies operating in similar sectors with strengths in different geographies will ensure focused management in a single combined entity thereby resulting in efficiency of management and maximising overall shareholder value.
- iii. The Transferor Company No. 2 has plan to develop and complete real estate project. It is exploring further opportunities in the real estate sector and has in the meantime deployed its funds in investment in securities of the Transferor Company No. 1. The Transferor Company No. 1 is also inter alia engaged in the business of real estate. The Transferor Companies 2 holds significant portion (17.62%) of the equity share capital of the Transferor Company No. 1. The amalgamation into the Transferee Company of the Transferor Company No. 1 and the Transferor Company No. 2 will lead to consolidation of the real estate business.

GALLANTT ISPAT LIMITED


Company Secretary

GALLANTT ISPAT LIMITED

Registered Office : "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi -110 014

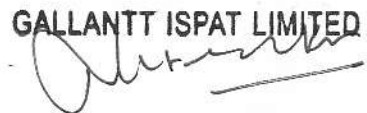
Telefax : 011-41645392, E-mail : gil@gallantt.com, Website : www.gallantt.com

Factory : AL-5, Sector-23, Sahjanwa, District - Gorakhpur, Uttar Pradesh

Corporate Identification No. : L27109DL2005PLC350523

- iv. Transferor Company No. 3 is forming part of the Promoter and Promoter Group of Transferee Company. Amalgamation of Transferor Company No. 3 with the Transferee Company would result in clarifying and making transparent the shareholding of the Transferee Company. Other Transferor Companies No. 4 and 5 are also holding shareholding of Transferee Company. The proposed amalgamation of Transferor Companies No. 4 and 5 will also bring in advantages of clarifying and making transparent shareholding of the Transferee Company.
- v. The amalgamation will bring in advantages of synergy in operations and economies of scale. The pooling of resources of companies will create strong financial structure and facilitate resource mobilisation and achieve better cash flows. The combined net worth in a single entity shall facilitate in attracting funds from strategic investors and/or financial institutions at competitive rates. Thus, the synergies created by the merger will increase the operational efficiency and integrate business functions of the amalgamated entity and help to pursue inorganic and organic growth opportunities of such business. It will also lead to more efficient utilisation of capital and create a consolidated base for future growth of the amalgamated entity.
- vi. The amalgamation particularly of the Transferor Company No. 1 and the Transferee Company will also result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running two separate entities and more particularly due to the listed status of both the companies involved. It will enable a dedicated management to focus and accelerate growth of the amalgamated entity.
- vii. The amalgamation will result in not only, pooling of efficient human resources and putting them to optimum utilisation for the growth of the merged entity but also attracting efficient manpower by the merged entity.
- viii. The amalgamation will enable greater realization of the potential of the businesses of the Transferor and Transferee Companies in the amalgamated entity and have beneficial results for all concerned.
- ix. The assets of the amalgamated entity will far exceed its liabilities and rights of the creditors of the Transferor Companies and the Transferee Company shall not in any way be prejudiced.
- x. The Scheme shall also be in the larger interest of the public shareholders of the Transferor Companies No. 1 and 2 and Transferee Company as

GALLANTT ISPAT LIMITED


Company Secretary

amalgamation of the three companies and other companies forming part of this Scheme will lead to cancellation of inter-corporate cross shareholdings of the Transferee Company and Transferor Companies as well. This will result into reduced combined paid-up capital leading to higher earnings per share.

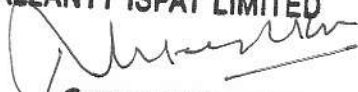
- xi. The Scheme also envisages Slump Sale of entire Power Plant Undertaking of the Transferor Company No. 1 as a going concern to the Transferee Company and will thereby preserve the entitlement of the said Power Plant Undertaking to the tax holiday available to the said Undertaking for being engaged in an identified priority area.
- xii. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the Slump Sale of the Power Plant Undertaking of Transferor Company No. 1 to the Transferee Company and amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the stakeholders of all the companies. Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme of Slump Sale and Amalgamation for the transfer and vesting of the Power Plant Undertaking of Transferor Company No. 1 and the entire undertaking and business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

Thanking you,

Yours faithfully,

For **GALLANTT ISPAT LIMITED**

GALLANTT ISPAT LIMITED


Company Secretary

Nitesh Kumar

COMPANY SECRETARY

GML/DEL/2019-20

18.01.2020

Corporate Relationship Manager Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street, Mumbai- 400 001 INDIA Scrip Code: 532726	Corporate Relationship Manager National Stock Exchange of India Limited "EXCHANGE PLAZA", Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051 INDIA Scrip Code: GALLANTT
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RATIONALE FOR THE SCHEME

- i. The Transferee Company is a pioneer in the Steel and Power sector and is able to attract the best talents available in the industry. The Transferee Company is having its footprints spanning across Gujarat, Maharashtra and Rajasthan. In the same way, The Transferor Company 1 is a pioneer in the Steel, Power and Agro sector and has its presence in and is having its footprints spanning across Uttar Pradesh, Bihar, Jharkhand and Delhi NCR.
- ii. The Transferor Company No. 1 and Transferee Company are under same Promoter Group. Thus, the amalgamation of the two companies operating in similar sectors with strengths in different geographies will ensure focused management in a single combined entity thereby resulting in efficiency of management and maximising overall shareholder value.
- iii. The Transferor Company No. 2 has plan to develop and complete real estate project. It is exploring further opportunities in the real estate sector and has in the meantime deployed its funds in investment in securities of the Transferor Company No. 1. The Transferor Company No. 1 is also inter alia engaged in the business of real estate. The Transferor Companies 2 holds significant portion (17.62%) of the equity share capital of the Transferor Company No. 1. The amalgamation into the Transferee Company of the Transferor Company No. 1 and the Transferor Company No. 2 will lead to consolidation of the real estate business.

GALLANTT METAL LIMITED

GALLANTT METAL LIMITED

Office : Ward-10 BC, Plot No. 123, Ground Floor, Gandhidham, Kutch, Gujrat-370 201, Tel. : 02836-395626 / 395636 Fax : 02836-235787

Works : Near Toll Gate Village - Samakhya, Taluka-Bhachau, Kutch - Gujrat, Tel. : 91 98 795 60878, Fax : +91 2837 283690

Registered Office : "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi -110 014

Telefax : 011-45048767, E-mail : gml@gallantt.com, Website : www.gallantt.com

Corporate Identification No. : L27109DL2005PLC350524


Company Secretary

- iv. Transferor Company No. 3 is forming part of the Promoter and Promoter Group of Transferee Company. Amalgamation of Transferor Company No. 3 with the Transferee Company would result in clarifying and making transparent the shareholding of the Transferee Company. Other Transferor Companies No. 4 and 5 are also holding shareholding of Transferee Company. The proposed amalgamation of Transferor Companies No. 4 and 5 will also bring in advantages of clarifying and making transparent shareholding of the Transferee Company.
- v. The amalgamation will bring in advantages of synergy in operations and economies of scale. The pooling of resources of companies will create strong financial structure and facilitate resource mobilisation and achieve better cash flows. The combined net worth in a single entity shall facilitate in attracting funds from strategic investors and/or financial institutions at competitive rates. Thus, the synergies created by the merger will increase the operational efficiency and integrate business functions of the amalgamated entity and help to pursue inorganic and organic growth opportunities of such business. It will also lead to more efficient utilisation of capital and create a consolidated base for future growth of the amalgamated entity.
- vi. The amalgamation particularly of the Transferor Company No. 1 and the Transferee Company will also result in administrative and operational rationalisation, organisational efficiencies, reduction in overheads and other expenses and optimal utilisation of various resources. It will prevent cost duplication, overlapping of administrative responsibilities and multiplicity of records, legal and regulatory compliances generally involved with running two separate entities and more particularly due to the listed status of both the companies involved. It will enable a dedicated management to focus and accelerate growth of the amalgamated entity.
- vii. The amalgamation will result in not only, pooling of efficient human resources and putting them to optimum utilisation for the growth of the merged entity but also attracting efficient manpower by the merged entity.
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- ix. The assets of the amalgamated entity will far exceed its liabilities and rights of the creditors of the Transferor Companies and the Transferee Company shall not in any way be prejudiced.
- x. The Scheme shall also be in the larger interest of the public shareholders of the Transferor Companies No. 1 and 2 and Transferee Company as amalgamation of the three companies and other companies forming part of

GALLANTT METAL LIMITED
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Company Secretary

this Scheme will lead to cancellation of inter-corporate cross shareholdings of the Transferee Company and Transferor Companies as well. This will result into reduced combined paid-up capital leading to higher earnings per share.

- xi. The Scheme also envisages Slump Sale of entire Power Plant Undertaking of the Transferor Company No. 1 as a going concern to the Transferee Company and will thereby preserve the entitlement of the said Power Plant Undertaking to the tax holiday available to the said Undertaking for being engaged in an identified priority area.
- xii. In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered and proposed the Slump Sale of the Power Plant Undertaking of Transferor Company No. 1 to the Transferee Company and amalgamation of the entire undertaking and business of the Transferor Companies with the Transferee Company in order to benefit the stakeholders of all the companies. Accordingly, the Board of Directors of the Transferor Companies and the Transferee Company have formulated this Scheme of Slump Sale and Amalgamation for the transfer and vesting of the Power Plant Undertaking of Transferor Company No. 1 and the entire undertaking and business of the Transferor Companies with and into the Transferee Company pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013.

Thanking you,

Yours faithfully,

For GALLANTT METAL LIMITED
GALLANTT METAL LIMITED


Company Secretary

Arnab Banerji
COMPANY SECRETARY

AAR COMMERCIAL COMPANY LIMITED

I - 7, JANGPURA EXTENSION, NEW DELHI - 110014
 Website: www.aarccl.in; Tel: 011-41645392; Mobile: 8017563471
 E-mail ID: investors.commercial@rediffmail.com
 CIN: L63090DL1982PLC354818

AAR/DEL/2019-20
 18.01.2020

Corporate Relationship Manager Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street, Mumbai- 400 001 INDIA Scrip Code: 539632	The Secretary, The Calcutta Stock Exchange Limited 7, Lyons range, Kolkata - 700001 West Bengal Scrip Code: 1145
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Corporate Office
 1, Crooked Lane,
 Room Nos. 208, Second Floor,
 Kolkata-700069 (W.B.)
 Tel. : 033-40078021



Transferee Company of the Transferor Company No. 1 and the Transferor Company No. 2 will lead to consolidation of the real estate business.

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Thanking you,

Yours faithfully,

For **AAR COMMERCIAL COMPANY LIMITED**

Arvind Kumar Modi

Arvind Kumar Modi
COMPANY SECRETARY

