

# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE OVERNANCE PHILOSOPHY

Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Gallantt Metal's governance philosophy is based on trusteeship, transparency and accountability. The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board.

The Company has complied with the principles and practices of good Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations".

A Report on compliance with the principles of

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

## 2. BOARD OF DIRECTORS

### 2.1 Composition

The Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations") and the Companies Act, 2013 ("the Act"). The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. 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, 2019 your Company's Board comprised of 8 Directors (out of which four of the Directors are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Managing Director of the Company are held by same individual Mr. Chandra Prakash Agrawal.

The composition of the Board as on March 31, 2019 is as follows:

- Executive Directors - 3
- Non Executive Independent Directors - 4

	Names of the Director	% to the total number of Directors
I)	<b>Independent Director</b>	50%
	Mr. Prasant Kankrania*	
	Mr. Sandip Kumar*	
	Mr. Jyotirindra Nath Dey	
	Mrs. Richa Bhartiya	
II	<b>Non-Executive Non-Independent Director</b>	12.5%
	Mr. Nitin Mahavir Prasad Kandoi	
III	<b>Executive Director</b>	37.5%
	Mr. Chandra Prakash Agrawal	
	Mr. Dinesh Raghbirprasad Agarwal	
	Mr. Prashant Jalan	

\*Mr. Prasant Kankrania and Mr. Sandip Kumar tendered their resignation from the Directorships of the Company effective from April 29, 2019.

Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director of the Company effective from April 29, 2019.

Mr. Dindyal Jalan (DIN: 00006882) has been appointed as Additional Independent Director on the Board of the Company effective from June 23, 2019.

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.

None of the Directors are related to each other. However, relative of Mr. Dinesh Raghbir Prasad Agarwal is employed in the Company.

At their meeting held on March 30, 2019, Mr. Prashant Jalan has been reappointed as a Whole-time Director for a period of three years effective from August 12, 2019 subject to the approval of the shareholders of the Company. The said reappointment shall be approved by the Shareholders at the ensuing 15<sup>th</sup> Annual General Meeting of the Company.

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

## 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

During the financial year 2018-19, Seven Board Meetings were held. These were held on 12.05.2018, 21.05.2018, 11.08.2018, 25.10.2018, 14.11.2018, 07.02.2019 and 30.03.2019. The maximum time gap between any two board meetings was less than 120 days.

## 2.4 Changes during the Year

Mr. Prasant Kankrania and Mr. Sandip Kumar tendered their resignation from the Directorship of the Company effective from April 29, 2019. Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as

an Additional Independent Director of the Company effective from April 29, 2019. Mr. Dindyal Jalan (DIN: 00006882) was appointed as Additional Independent Directors on the Board of the Company effective from June 23, 2019.

## 2.5 Re-appointment of Directors Proposed at upcoming AGM:

In terms Section 152 of the Companies Act, 2013, Mr. Prashant Jalan (DIN: 06619739), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming Annual General Meeting.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149 (11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. Tenure of Mrs. Richa Bhartiya as an Independent Director will end on November 11, 2019 and Board of Directors, in accordance with the recommendation of the Nomination and Remuneration Committee, has proposed her reappointment the forthcoming 15<sup>th</sup> Annual General Meeting for a Second Term of 5 (Five) years through Special Resolution.

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of the proposed appointee / reappointee are given in the Explanatory Statement attached to the Notice of 15<sup>th</sup> AGM of the Company.

## 2.6 Other Directorships and Committee Memberships:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2019 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1) (b) of the Listing Regulations.

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting (27/09/2018) Attended	No. of Board Meetings Attended out of 7 meetings held during the year	No. of other directorships in public companies as on 31/03/2019	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Metal) As on 31/03/2019	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	No	6	1	Nil	Nil
Mr. Dinesh Raghubir Prasad Agarwal, Whole-time Director (DIN: 01017125)	Executive/ Promoter	No	7	1	Nil	Nil
Mr. Prashant Jalan Whole-time Director (DIN: 06619739)	Executive / Non-Promoter	No	7	Nil	Nil	Nil
Mr. Nitin Mahavir Prasad Kandoi Whole-time Director (DIN:01979952)	Non-Executive/ Promoter	No	7	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	7	2	1	3
Mr. Prasant Kankrania Director (DIN: 05241947)*	Non-Executive/ Independent	Yes	7	Nil	Nil	Nil
Mrs. Richa Bhartiya Director (DIN: 06905283)	Non-Executive/ Independent	No	7	Nil	Nil	Nil
Mr. Sandip Kumar Director (DIN: 08088624)*	Non-Executive/ Independent	Yes	7	Nil	Nil	Nil

\* Mr. Prasant Kankrania and Mr. Sandip Kumar, Non-Executive Independent Directors of the Company tendered their resignation from the Directorships of the Company effective from April 29, 2019.

Mr. Nitin Mahavir Prasad Kandoi was not holding Chairmanship or Membership of Audit Committee or Stakeholders Relationship Committee in the Company as on March 31, 2019. However, with effect from June 23, 2019, Mr. Nitin Mahavir Prasad Kandoi has been appointed as a Member of Audit Committee and Nomination and Remuneration Committee and Chairperson of Stakeholders Relationship Committee of the Company.

**Notes:**

- Mr. Sandip Kumar, Mr. Jyotirindra Nath Dey, Mr. Prasant Kankrania and Mrs. Richa Bhartiya 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.

**Name of other listed entities where Directors of the company are Directors and the category of Directorship:**

Sl. No.	Name of Director	Name of other listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)	Executive Director
2	Mr. Dinesh Raghbir Prasad Agarwal, Whole-time Director (DIN: 01017125)	None	-
3	Mr. Prashant Jalan Whole-time Director (DIN: 06619739)	None	-
4	Mr. Nitin Mahavir Prasad Kandoi Whole-time Director (DIN:01979952)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)	Executive - Director
5	Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)# 2. Concrete Credit Limited (CIN: L17299WB1981PLC033782)	Non-Executive Independent Director
6	Mr. Prasant Kankrania Director (DIN: 05241947)*	None	-
7	Mrs. Richa Bhartiya Director (DIN: 06905283)	None	-
8	Mr. Sandip Kumar Director (DIN: 08088624)*	None	-

\* Resigned details given above.

# Resigned from Gallantt Ispat effective from June 23, 2019.

## 2.7. Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses (Steel and Power), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;
- Financial and Management skills;
- Technical / Professional skills and specialized knowledge in relation to Company's business

## 2.8 Information supplied to the Board

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions. During the financial year 2018-19, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Board Meetings. The Board also reviews the declarations made regarding compliance with all applicable laws and reviews the related compliance reports.

## 2.9 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.

During the financial year 2018-19, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on March 30, 2019 whereby, all the Independent Directors were present and without the presence of the Non-Independent Directors and the members of the management of the Company.

#### 2.10 Shareholding of Directors Including Non-Executive Directors

The details of shares held by the Directors of the Company in their individual names as on March 31, 2019 are furnished below:

Sr. No.	Name of Directors	No. of Shares held
1.	Mr. Chandra Prakash Agrawal	3,00,000
2.	Mr. Dinesh Raghubir Prasad Agarwal	23,07,251
3.	Mr. Prashant Jalan	NIL
4.	Mr. Nitin Mahavir Prasad Kandoi	10,500
5.	Mr. Jyotirindra Nath Dey	NIL
6.	Mr. Sandip Kumar	NIL
7.	Mr. Prasant Kankrania	NIL
8.	Mrs. Richa Bhartiya	NIL

None of the non-executive directors held any shares in the Company during the year ended March 31, 2019.

#### 2.11 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)

#### 2.12 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. Prasant Kankrania, Mr. Jyotirindra Nath Dey, Mr. Sandip Kumar and Mrs. Richa Bhartiya have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations. Also, newly appointed Directors Mr. Dindyal Jalan and Mr. Ashtbhuja Prasad Srivastava have also given the said declaration.

#### 2.13 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 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.

#### 2.14 Performance evaluation of Directors

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

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- performance of the directors
- fulfillment of the independence criteria as specified in these regulations and their independence from the management.

The criteria for the performance evaluation included the following:

- **The Board** – Structure, composition and quality of Board, Board meeting schedule, agenda and collaterals, board meeting practices and overall board effectiveness.
- **Board Committees** – Composition, charter, information flow and effectiveness of the meetings, recommendation to the Board, etc.
- **Individual Directors** – Attendance at the meetings, preparedness for discussion, quality of contribution, engagement with fellow board members, KMPs and senior management, etc.
- **The Chairman** - The Chairman was additionally evaluated on few parameters such as leadership provided to the Board, promoting effective participation of all board members in the decision making process, etc.

The Independent Directors had their meeting on March 30, 2019 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairperson, Executive Director, Non-

executive director, Board and Committees as a whole.

#### 2.15 Non-executive Directors' compensation and disclosures

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

#### 2.16 Other Provisions as to Board and Committees

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

#### 2.17 Independent Directors confirmation by the Board

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(1) (b) of the SEBI LODR Regulations 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. <https://www.gallantt.com>

#### 2.18. Policy for Selection and Appointment of Directors and their Remuneration

Nomination and Remuneration Committee, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

#### 2.19 Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience in their respective fields.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.
- Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

Further pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, it is



hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified SEBI LODR Regulations 2015 read with Amendments thereof and are independent of the management.

**2.20 Chart/matrix setting out the skills/expertise/competence of the Board of Directors**

Pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, below are the list of core skills/expertise/competencies identified by the Board of Directors for the year under review as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

S.N.	Category	Core skills/expertise/ competencies identified by the Board of Directors	Available with the Board
1.	Understanding of Business/Industry	Experience and knowledge of Steel, Power, Agro and Real Estate Business.	Yes
2.	Financial	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.	Yes
3.	Leadership	Leadership experience for understanding of business nuisance and organizational challenges. Quality of strategic planning, and risk management for long-term growth.	Yes
4.	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.	Yes
5.	Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.	Yes
6.	Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance Company's reputation.	Yes
7.	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies.	Yes

**2.21** Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided: During the reporting period/year Mr. Sandip Kumar (date of resignation 29.04.2019), and Mr. Prasant Kankrania (date of resignation 29.04.2019) have tendered their resignation from the Directorship of the Company. These Directors resigned from the Directorship due to their personal reason and other engagements. Further, they have confirmed that there are no other material reasons other than those provided. Hence, based on their declaration, this is to confirm that resignation of all the above Directors were due to their personal reasons and other engagements and that there are no other material reasons other than those provided for their resignation from the Directorship of the Company.

Further, this is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

**2.22 Succession Planning**

We have an effective mechanism for succession planning which focuses on orderly succession of Directors, including Executive Directors and other senior management team and executive officers. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

**2.23 Committees of Board of Directors**

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various Committees to deal with specific areas/ activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good

governance practice. The minutes of the meetings of all committees are placed before the Board for review.

Your Company has five Board level committees:

- a) Audit Committee
- b) Nomination & Remuneration Committee
- c) Stakeholders' Relationship Committee
- d) Corporate Social Responsibility Committee

### 3. CODE OF CONDUCT

Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website [www.gallantt.com](http://www.gallantt.com).

Annual declaration signed by the Managing Director of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to the Annual Report.

### 4. 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.

#### 4.1 Composition

As on date of reporting, the Audit Committee comprises of three (3) Directors. The members of the Audit Committee are Mrs. Richa Bhartiya (Chairperson), Mr. Jyotirindra Nath Dey and Mr. Nitin Mahavir Prasad Kandoi, all of whom possess accounting and financial management expertise/ exposure. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Audit Committee.

As on March 31, 2019, the Audit Committee comprised of three Independent Directors viz. Mr. Prasant Kankrania (Chairman), Mr. Jyotirindra Nath Dey and Mrs. Richa Bhartiya. Mr. Prasant Kankrania has resigned from the Board of the Company. The Audit Committee has been reconstituted on June 23, 2019 by introduction of Mr. Nitin Mahavir Prasad Kandoi, Non-Executive Non-Independent Director as a Member and appointment of Richa Bhartiya as a Chairperson.

Mr. Prasant Kankrania, the then Chairman – Audit

Committee was present at the Annual General Meeting held on Thursday, September 27, 2018.

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

#### 4.2 Power of Audit Committee

The "Audit Committee" shall have the following powers:

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

#### 4.3 Role/Terms of Reference of Audit Committee

**The Terms of Reference of the Audit Committee are as under:**

Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending for appointment, remuneration and terms of appointment of auditors of the company.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act 2013;

Changes, if any, in accounting policies and practices and reasons for the same;

Major accounting entries involving estimates based on the exercise of judgment by management;

Significant adjustments made in the financial statements arising out of audit findings;

Compliance with listing and other legal requirements relating to the financial statements;

Disclosure of any related party transactions;

Qualifications in the draft audit report.

Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than



those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors of any significant findings and follow up there on;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

To review the functioning of the Whistle Blower mechanism;

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to

the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit committee to review utilisation of loans and/or advances from investment by holding company in subsidiary company exceeding INR 100 crores or 10% of asset size of subsidiary, whichever is low.

The Audit Committee of the Board shall review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

#### **Review of information by Audit Committee**

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of Deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1) of SEBI LODR Regulations, 2015.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI LODR Regulations, 2015.

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.

#### 4.4 Meetings and Attendance

A total of Six (6) Audit Committee Meetings were held in the financial year 2018–19. The meetings were held on 12.05.2018, 21.05.2018, 11.08.2018, 25.10.2018, 07.02.2019 and 30.03.2019.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Prasant Kankrania*	Chairman	Independent	6
Mr. Jyotirindra Nath Dey	Member	Independent	6
Mrs. Richa Bhartiya **	Member	Independent	6

\*Resigned on April 29, 2019

\*\*Appointed as a Chairperson effective from June 23, 2019

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.

Cases of non-acceptance by the Board of Directors, of any recommendation of the Audit Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

#### 5. 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 etc.

##### 5.1 Composition

During the year ended 31<sup>st</sup> March, 2019, the Stakeholders Relationship Committee comprised of Mrs. Richa Bhartiya, an Independent Director, as the Chairperson and Mr. Prasant Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Tarun Kumar Rathi, 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 Id csgml@gallantt.com designated exclusively for the purpose.

##### 5.2 Terms of Reference

- specifically look into the redressal of grievances of shareholders, debenture holders and other security holders.
- consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- to look in to various aspects of interest of shareholders and other security holders
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders

##### 5.3 Meetings and Attendance

A total of Three (3) Stakeholders Relationship Committee Meeting was held in the financial year 2018–19. The meetings were held on 12.05.2018, 18.12.2018 and 30.03.2019.

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

Names	Designation	Category	Committee Meeting Attended
Mrs. Richa Bhartiya	Chairperson	Independent	3
Mr. Prasant Kankrania*	Member	Independent	3
Mr. Jyotirindra Nath Dey	Member	Independent	3

\*Mr. Prasant Kankrania tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Chairmanship of the Stakeholder Relationship Committee. Mr. Nitin Mahavir Prasad Kandoi was appointed as a Chairman of the Committee effective from June 23, 2019.

Earlier, Mrs. Richa Bhartiya was heading the Committee as a Chairperson. Presently, effective from June 23, 2019 Mr. Nitin Mahavir Prasad Kandoi heading the Committee as a Chairman. Mr. Tarun Kumar Rathi, Company Secretary acts as a Compliance Officer of the Company.

#### 5.4 Status of Complaints

Sl. No.	Particulars	Numbers
1.	Complaints pending as on 1 April, 2018	NIL
2.	Complaints received during the year ended 31 March, 2019	2
3.	Complaints disposed of during the year ended 31 March, 2019	2
4.	Complaints pending as on 31 March, 2019	NIL

As required under Regulation 40(10) of the Listing Regulations entered into by Gallantt Metal 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.

The equity shares of the Company are traded in dematerialized form.

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has not yet transferred equity shares to IEPF as there is no such shares due to be transferred to IEPF. Details of Unpaid Dividend for the Financial Year 2017-18 have been uploaded on the website of IEPF as well as the Company's website i.e., [www.gallantt.com](http://www.gallantt.com).

Cases of non-acceptance by the Board of Directors, of any recommendation of the Stakeholders Relationship Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

#### 6. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations., 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.

#### 6.1 Role of Nomination and Remuneration Committee

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

##### Terms of Reference -

Identify persons who may be appointed as key managerial personnel and in senior management positions;

Recommended to the Board for re-appointment of directors based on performance evaluation of the retiring director;

Annual evaluation of every director's performance;

Formulating a remuneration policy of the Company;

To propose remuneration packages for the Directors and Key Managerial Personnel including Senior management;

Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company.

**b. Responsibilities and Duties:** The responsibility and duties of Nomination and Remuneration Committee are defined below covering their scope of work:

- Reviewing the tenure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- Devising a policy on diversity of board of directors;
- Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To approve the remuneration of the Senior

Management including key Managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

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

Besides, the Nomination and Remuneration Committee periodically reviews the composition of the Board to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders and the Company.

The process of appointing a director/KMPs/Senior Management Personnel is, that when a vacancy arises or is expected the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate bring to the Board/Company and the balance of skills added to that of which the existing members hold.

## 6.2 Meetings and Attendance

During the year ended 31<sup>st</sup> March, 2019, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Prasant Kankrania and Mrs. Richa Bhartiya all independent Directors as Members. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Committee.

A total of four Nomination and Remuneration Committee Meetings were held in the financial year 2018–19. The meetings were held on 12.05.2018, 21.05.2018, 11.08.2018 and 30.03.2019.

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	4
Mr. P. Kankrania	Member	Independent	4
Mrs. Richa Bhartiya	Member	Independent	4

*\*Mr. Prasant Kankrania tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Membership of the Nomination and Remuneration Committee effective from April 29, 2019.*

Cases of non-acceptance by the Board of Directors, of any recommendation of the Nomination and Remuneration Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

## 6.3 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.

### Summary of Remuneration Policy of the Company:

The Board has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. In keeping with the provisions of Section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary), pension scheme, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the Non-Executive Directors and Independent Directors of the Company may receive remuneration only by way of sitting fee and reimbursement of expenses for participation in meetings of the Board or Committee thereof, as may be permissible by the applicable law. Additionally, the Policy also lays down the overall selection criteria for the executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others. The Remuneration Policy of the Company has been disclosed on the website of the Company. The web link to the Remuneration Policy is as under: [https://www.gallantt.com/investors\\_corner/Gallantt\\_Metal\\_Limited/Nomination\\_and\\_Remuneration\\_Policy/Remuneration\\_Criteria\\_Non-Executive\\_Director-w.e.f.01.04.2019](https://www.gallantt.com/investors_corner/Gallantt_Metal_Limited/Nomination_and_Remuneration_Policy/Remuneration_Criteria_Non-Executive_Director-w.e.f.01.04.2019)

## 6.4 Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31<sup>st</sup> March, 2019 to Managing/ Whole-time Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (Rs. In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	21.60
Mr. Dinesh Raghbirprasad Agarwal	Whole time Director	352.67
Mr. Prashant Jalan	Director-Plant Operation	6.73

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

#### (b) Non-Executive Directors

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

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

The criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at [www.gallantt.com](http://www.gallantt.com).

#### 6.5 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.

#### 7. 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.

##### 7.1 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.

#### 7.2 Meetings and Attendance

The Committee met five (5) times during the financial year ended 31st March, 2019 on 12.05.2018, 21.05.2018, 11.08.2018, 14.11.2018 and 30.03.2019. 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, 2019 is detailed below:

Names	Designation	Details of Meetings held during the FY. 2018-19	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	5
Mr. Dinesh Raghbir prasad Agrawal	Member	Executive	5
Mr. Chandra Prakash Agrawal	Member	Executive	5

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).

#### 8. SUBSIDIARY COMPANIES

Company has one Wholly Owned Subsidiary M/s. GL Steel and Power Limited.

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

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

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

The Company does not have any material non-listed

Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com).

## 9. 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. Details of Key Risks and Mitigation Plan are given in the Directors Report forming part of the Annual Report.

## 10. RELATED PARTY TRANSACTIONS

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

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval. There is no materially significant related party transaction during the financial year ended March 31 2019.

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).

## 11. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2017-2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	27.09.2018	3.30 P.M.
2016-2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2017	3.30 P.M.
2015-2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2016	3.30 P.M.

### 11.2 Special resolutions passed at the previous three Annual General Meetings are as below:

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
14 <sup>th</sup> Annual General Meeting	2017-18	27.09.2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	<ol style="list-style-type: none"> <li>To reappoint Mr. Jyotirindra Nath Dey (DIN:00180925) as an Independent Director for Second Term of five years.</li> <li>To reappoint Mr. Prasant Kankrania (DIN: 05241947) as an Independent Director for Second Term of five years.</li> <li>To revise remuneration of Mr. Dinesh Raghbir Prasad Agrawal (DIN: 01017125).</li> <li>Granting of Loan under Section 185 of the Companies Act, 2013 to M/s. Gallantt Ispat Limited</li> </ol>



General Body Meeting	Financial Year	Date	Venue	Special Resolutions
13 <sup>th</sup> Annual General Meeting	2016-17	26.09.2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed
12 <sup>th</sup> Annual General Meeting	2015-16	26.09.2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed

**11.3 The Details of Special Resolutions passed through postal ballot during the financial year 2018-19:** No special resolution was passed through postal ballot in the last year.

**11.4** Person who conducted the postal ballot exercise – Not Applicable.

**11.5 Whether any special resolution is proposed to be**

**conducted through postal ballot** – At present, there is no proposal to pass any special resolution through Postal Ballot.

**11.6 Procedure for Postal Ballot:** Not Applicable.

**11.7 Extraordinary General Meeting**

Details of Extra-ordinary General Meeting held during the Financial Year 2018-19 are as under:

Date	Venue	Business	Type of Resolution
04.01.2019	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	Item No. 1. Shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory of Delhi (NCT of Delhi). Item No. 2: Alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.	Special Resolution  Special Resolution

**11.8 Court Convened Meeting of Shareholders**

During the year no Court Convened Meeting convened and held.

## 12. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the Listing Regulations, 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).

After shifting of the Registered Office from Kolkata to New Delhi, Company publishes all information in newspapers viz. Business Standard (All edition) and Naya India (Vernacular-Hindi). No presentations are made to institutional investors or to the analysts during the year.

Details about the means of communication:

### Quarterly Results:

The quarterly and year to date financial results of the Company are published in leading newspapers in India which include, Business Standard and Ek Din (before shifting of Registered Office from Kolkata to New Delhi and in Business Standard and Naya India (after shifting of Registered Office from Kolkata to New Delhi). The results are also displayed on the Company's website under <https://www.gallantt.com>.

**Whether it also displays official news releases;** Yes

**13. GENERAL SHAREHOLDERS INFORMATION**

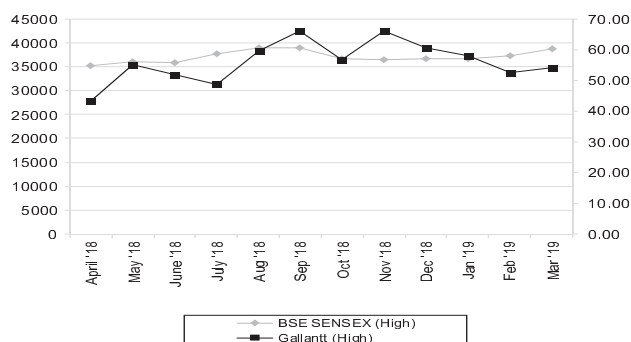
13.1	Date, time and time of the Annual General Meeting	Thursday, September 26, 2019 at 12.30 P.M.
13.2	Venue	"Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014.India.
13.3	Financial Year	April 01, 2018 to March 31, 2019
13.4	Cut-off date for determining the names of shareholders eligible to vote	Thursday, September 19, 2019
13.5	Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting	Friday, August 16, 2019
13.6	Publication of results for the financial year 2019-20 (tentative and subject to change)	a) First quarter results: On or before August 14, 2019. b) Second quarter and half year results: On or before November 14, 2019. c) Third quarter results: On or before February 14, 2020. d) Fourth quarter results and results for the year ending March 31, 2020: On or before May 30, 2020.
13.7	Dates of book closure	September 20, 2019 to September 26, 2019 (both days inclusive)
13.8	Dividend Payment Date	The Board of Directors at their Meeting held on April 29, 2019, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting Twenty Five Paise per Share (25 Paise -@ 2.5% on equity shares) of the Company for the Financial Year 2018-19. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 18, 2019 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, 2019.
13.9	Listing on Stock Exchanges and Stock Code	1. BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 Stock Code: 532726  2. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120 Stock Code: GALLANTT
13.10	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the financial year 2019-20 has been duly paid by the Company.

### 13.11 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 2018-19.

Month	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	43.25	38.05	42.50	38.15
May-18	55.20	38.35	53.75	38.00
Jun-18	51.95	43.20	50.95	42.35
Jul-18	48.60	40.00	48.50	40.00
Aug-18	59.55	40.10	58.10	41.75
Sep-18	66.00	45.50	65.60	45.00
Oct-18	56.80	43.40	55.00	43.65
Nov-18	66.00	50.10	66.00	50.65
Dec-18	60.50	44.00	60.65	52.10
Jan-19	58.00	46.50	58.00	46.80
Feb-19	52.40	42.50	52.00	42.00
Mar-19	54.00	43.10	54.90	41.95

### 13.12 Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2018-19:



### 13.13 Suspension of Securities during the financial year 2018-19:

During the financial year 2018-19, the securities of the Company were not suspended from trading.

### 13.14 Registrar and Share Transfer Agents;

Niche Technologies Pvt. Ltd.  
7th Floor, Room, No. 7A & 7B,  
3A, Auckland Rd, Elgin, Kolkata,  
West Bengal – 700017.

Tel.: (033) 2280 6616 / 17 / 18

Email id: nichetechpl@nichetechpl.com

Website: www.nichetechpl.com

### 13.15 Share Transfer System;

The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. The formalities for transfer of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

Share transfers, dividend payments and all other

investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact any of the offices of Niche Technologies Private Limited.

### 13.16 Distribution of equity shareholding as on March 31, 2019:

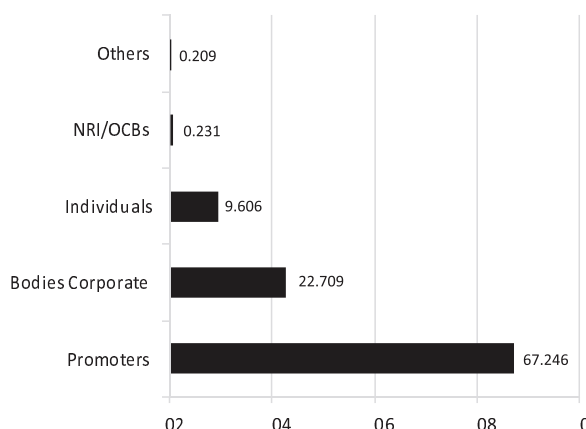
Distribution of shareholding by size is as given below:

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	5,892	76.869	9,58,037	1.178
501-1,000	826	10.776	7,07,696	0.870
1,001-5,000	724	9.446	16,33,724	2.009
5,001-10,000	92	1.200	6,94,369	0.854
10,001-50,000	100	1.305	21,50,027	2.644
50,001-1,00,000	10	0.131	6,83,622	0.841
1,00,001 and Above	21	0.274	7,44,94,849	91.604
<b>TOTAL</b>	<b>7,665</b>	<b>100.000</b>	<b>8,13,22,324</b>	<b>100.000</b>

### 13.17 Categories of shareholding as on 31<sup>st</sup> March, 2019

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
<b>PROMOTERS' HOLDING:</b>		
Promoters	5,46,86,193	67.246
<b>Total Promoters' Holding</b>	<b>5,46,86,193</b>	<b>67.246</b>
<b>PUBLIC SHAREHOLDING:</b>		
<b>Institutional Investors</b>		
Financial Institution/Bank	0	0.00
Financial Institution Investor	0	0.00
Foreign Portfolio Investor	0	0.00
<b>Others</b>		
Bodies Corporate	1,84,67,094	22.709
Individuals	78,11,363	9.606
NRI/OCBs	1,87,484	0.231
Clearing Members/Clearing Corp (Demat shares in transit)	1,70,190	0.209
IEPF	0	0.000
<b>Total Public Shareholding</b>	<b>2,66,36,131</b>	<b>32.754</b>
<b>GRAND TOTAL</b>	<b>8,13,22,324</b>	<b>100</b>

#### Category-wise shareholding:



### 13.18 Dematerialization of Shares and Liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE297H01019. Nearly 100.00% of

total listed equity shares have been dematerialised as on March 31, 2019.

**13.19 Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity: Nil**

### 13.20 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has insignificant foreign exchange exposure towards imports. Commodities form a major part of business of the Company and hence Commodity price risk is one of the

important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility.

The Company does not undertake any commodity hedging activities. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

**13.21 Corporate Identity Number (CIN):**  
L27109DL2005PLC350524

**13.22 Plant locations:**

Near Toll Gate, Village - Samakhali, Taluka - Bachau,  
District – Kutch, Gujarat

**13.23 Address for correspondence**

Registrar and Share Transfer Agents; Mr. S. Abbas, Senior System Manager Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com Website: www.nichetechpl.com	Unit: Gallantt Metal Limited Contact Person: Mr. Tarun Kumar Rathi, Company Secretary and Compliance Officer, “GALLANTT HOUSE”, I-7, Jangpura Extension, New Delhi – 110014. Telefax: 011-45048767 Email-Id :csgml@gallantt.com Website :www.gallantt.com
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**Depositories:**

<b>National Securities Depository Limited</b> Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel. No.: (022) 2499 4200 Fax No.: (022) 2497 6351 Email: info@nsdl.co.in Website: www.nsdl.co.in	<b>Central Depository Services (India) Limited</b> Marathon Futurex, A-Wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013 Toll free No.: 1800-22-5533 Email: complaints@cdslindia.com Website: www.cdslindia.com
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Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

**13.24 List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:**

During the financial year 2018-19, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or the proposal of the Company involving mobilization of funds in India or in abroad.

However, Company is availing short-term and long term bank finance facilities from the Bankers. India Ratings and Research Private Limited has assigned grade A for

credit rating of Term Loan and Grade A2 for working capital facilities.

**13.25 Unpaid and Unclaimed Amount of Dividend and Share Application Money**

Following amount of Unpaid Dividend has not been claimed and paid till 31.03.2019:

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In Rs.)
IDBI BANK LIMITED	2018-19	IDBI Bank Account No. 1526103000000578	74,891.25

Unpaid dividend amounts are not available for use by the Company. Members who have not so far encashed their Divided Warrants for the financial years ended 31<sup>st</sup> March, 2018 are requested to approach immediately the Registrar and Share Transfer Agent/Company 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).

**13.26 Transfer of shares to IEPF**

No shares have been transferred to IEPF

**14.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2018-19 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the web link to the Materiality of Related Party Transactions is as under: <https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Related Party Transaction Policy-w.e.f. 01.04.2019>.

**14.2 details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;**

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

### 14.3 Accounting Standards

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19.

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

### 14.4 Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link <https://www.gallantt.com/Investors Corner/Gallantt Metal Limited/ Whistle Blower Policy - w.e.f. 01.04.2019>.

### 14.5 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in the Listing Regulations:

- (i) The Internal Auditor reports to the Audit Committee.
- (ii) The financial statements of the Company are with unmodified audit opinion.

### 14.6 Web link where policy for determining 'material' subsidiaries is disclosed;

The policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link <https://www.gallantt.com/Investors Corner/Policy On Material Subsidiary-w.e.f. 01.04.2019>.

### 14.7 Web link where policy on dealing with related party transactions;

The Related Party Transaction Policy is also posted on the Company's website and can be accessed at <https://www.gallantt.com/Investors Corner/Gallantt Metal Limited/ Related Party Transaction Policy-w.e.f. 01.04.2019>.

### 14.8 Disclosure of commodity price risks and commodity hedging activities.

The Company does not undertake any commodity hedging activities. The Company actively monitors the foreign exchange movements and takes forward covers

as appropriate to reduce the risks associated with transactions in foreign currencies.

### 14.9 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the period under Report Company has not raised funds through preferential allotment of qualified institutional placement as specified under Regulation 32(7A).

### 14.10 A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 13<sup>th</sup> August, 2019. The certificate given by Mr. Anurag Fatehpuria is published in this Report as **Annexure-D** of this Corporate Governance Report.

### 14.11 Recommendations of Committees of the Board

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.

### 14.12 Total fees paid to Statutory Auditors of the Company

Total fees of Rs. 6.37 Lacs for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

### 14.13 Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

- a. Number of complaints filed during the financial year: NIL



- b. Number of complaints disposed of during the financial year: NIL
- c. Number of complaints pending as on end of the financial year: NIL

**14.14 Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.**

There is no case of non-compliance of any requirement of Corporate Governance.

**14.15 Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:**

The Company has complied with the discretionary requirements with regard to reporting of Internal Auditor directly to Audit Committee, moving towards a regime of unqualified Financial Statements and unmodified audit opinion.

**14.16 Disclosures with respect to demat suspense account/unclaimed suspense account:**

Disclosure with respect to demat suspense account/unclaimed suspense account: Not applicable.

**14.17 The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.**

**14.18 Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.**

**14.19** In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

**14.20** All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

**14.21** In order to prevent misuse of any unpublished price sensitive information (UPSI), maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading. The said Code prohibits the Designated Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of

Unpublished Price Sensitive Information and the same is available on the website of the Company at [www.gallantt.com](http://www.gallantt.com).

**14.22** The Company as required under Clause 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, has designated the following email IDs namely [csgml@gallantt.com](mailto:csgml@gallantt.com) for the purpose of registering complaints if any by the investors and expeditious redressal of their grievances.

**14.23 Nomination**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**14.24 Policy pertaining to determination and disclosure of the material events/information**

The Board of Directors has approved the policy pertaining to determination and disclosure of the material events/information. Accordingly any such material events/information will be disclosed to the concerned either by Managing Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company with the following link <https://www.gallantt.com>.

**14.25 Reconciliation of share capital audit**

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital.

The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### 14.26 Code of Conduct

The members of the Board and senior management personnel have affirmed the compliance with Code of Conduct applicable to them during the year ended March 31, 2019. The **Annexure A** of the Corporate Governance Report contains a certificate by the Managing Director in terms of SEBI LODR Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

#### 14.27 Trading window

Trading window closure for financial results is from the beginning of the quarter till 48 hours after the Unpublished Price Sensitive Information (UPSI) becomes generally available.

#### 14.28 Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

#### 14.29 CEO/CFO Certification

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of SEBI LODR Regulations, 2015 for the financial year ended March 31, 2019.

The CEO and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI LODR Regulations, 2015. The annual certificate given by the CEO and the CFO is published in this Report as **Annexure-B** of this Corporate Governance Report.

#### 14.30 Uday Kotak Committee Recommendations

In June 2017, SEBI set up a committee under the chairmanship of Shri Uday Kotak to advise on issues relating to corporate governance in India. In October 2017, the committee submitted a report containing its recommendations, which were considered by SEBI in its Board Meeting held in March 2018. On May 9, 2018, SEBI notified SEBI LODR (Amendment) Regulations, 2018 implementing majority of these recommendations effective from April 1, 2019 or such other date as specified therein.

The Company substantially complies with the amendments notified and wherever there are new requirements, it will take necessary steps to ensure

compliance by the effective date.

Pursuant to Regulation 33 (8) of SEBI LODR Amendment Regulations 2018, the Statutory Auditor of the Company shall undertake a Limited Review of the audit of all the Subsidiaries, Joint Ventures and Associates whose accounts are to be consolidated with the Company as per Accounting Standard 21 with effect from April, 01, 2019 in accordance with guidelines issued by SEBI on this matter.

#### 14.31 Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

#### 14.32 Policy for Determination of Legitimate Purposes

The Company has formulated a comprehensive Policy for Determination of Legitimate Purposes. This Policy is formulated pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for determination of legitimate purpose of for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any. The Policy is also hosted on the website of the Company at <https://www.gallantt.com>

#### 14.33 Policy on enquiry of leak of Unpublished Price Sensitive Information

The Company has formulated a comprehensive Policy for enquiry of leak Unpublished Price Sensitive Information. This Policy is formulated as per requirement of Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for enquiry procedure in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. The Policy is also hosted on the website of the Company at <https://www.gallantt.com>.

#### 14.34 Shareholder voting

Shareholders are requested to cast their votes on the Resolutions mentioned in the Notice of the Fifteenth Annual General Meeting of the Company by using any one of the following options:

1. Vote in advance of the Annual General Meeting through remote e-voting process.

2. Vote in person at the Annual General Meeting through polling paper/ballot paper.

#### 14.35 Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the company or with the depositories.

To support this green initiative of the Government, shareholders are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the R & T Agents, in case the share are held in physical form and also intimate changes, if any in their registered e-mail addresses to the company/ DPs, from time to time.

#### 14.36 Compliance Certificate on Corporate Governance

Certificate received from M/s. ALPS & Co., Chartered Accountants, Statutory Auditors of the Company having their office at Chartered Accountants (ICAI Firm Registration No. 313132E), 310, Todi Chambers, 2, Lalbazar Street, Kolkata – 700001 confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V (E) of the SEBI LODR Regulations, 2015 is annexed to this Corporate Governance Report as **Annexure-C**.

#### 14.37 Secretarial Audit

The Company's Board of Directors appointed Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary to conduct the secretarial audit of its records and documents for the Financial Year 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI LODR Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

#### 14.38 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 2018-19 are as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Nitin Mahavir Prasad Kandoi	14,000
Mr. Jyotirindra Nath Dey	52,000
Mr. Prasant Kankrania	42,000
Mrs. Richa Bhartiya	42,000
Mr. Sandip Kumar	16,000
<b>TOTAL</b>	<b>1,66,000</b>

#### 14.39 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	2017-18	27.09.2018	Re. 0.25/- (Paise Twenty Five only)	Rs. 2,03,30,581.00

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

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) on which dividend has not been paid or claimed by a Shareholder for a period of 7 (Seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of 30 (Thirty) days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Presently, no shares are due to be transferred to the IEPF.

**Therefore, it is in the interest of Shareholders to regularly claim the dividends declared by the Company.**

**14.41** None of the Non-Executive Directors hold any shares in the company;

**14.42 Codes and Policies**

Particulars Website Details/Links:

<b>Policy/Code</b>	<b>Weblink</b>
Dividend Distribution Policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Composition and Profile of the Board of Directors	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Terms and conditions of appointment of Independent Directors	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Familiarisation Programme hours FY 2018-19 for Independent Directors	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Remuneration Policy of Directors, KMPs & Other Employees	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Code of Conduct	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Criteria of Making Payments to Non-Executive Directors	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Corporate Social Responsibility Policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Policy on Related Party Transactions	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Policy on Determining Material Subsidiary	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Whistle Blower Policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Document Retention and Archival Policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Prevention of Sexual Harassment (POSH) at Workplace	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Code of Conduct for Prevention of Insider Trading	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Legitimate Purpose policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Policy on enquiry of leak of Unpublished Price Sensitive Information	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>
Risk Management Policy	<a href="https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes">https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes</a>

Place: Gorakhpur  
Date: August 13, 2019

For and on Behalf of the Board  
C. P. Agrawal  
Chairman

## DECLARATION

To  
The Members of  
**Gallantt Metal Limited**

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on March 31, 2019.

Place : Gorakhpur  
Date : August 13, 2019

**C. P. Agrawal**  
*Managing Director*

**Dinesh Raghubir Prasad Agarwal**  
*Whole-time Director*

## CEO/CFO CERTIFICATION

The Board of Director  
**Gallantt Metal Limited**  
"GALLANTT HOUSE",  
I-7, Jangpura Extension,  
New Delhi – 110014

**Re: Financial Statements for the Financial year 2018-19 – Certificate by MD and CFO**

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gorakhpur  
Dated : August 13, 2019

**Chandra Prakash Agrawal**  
*Managing Director*

**Sandip Kumar Agarwal**  
*Chief Financial Officer*

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

To  
The Members of  
**Gallantt Metal Limited**

1. We, ALPS & Co., Chartered Accountants, the Statutory Auditors of Gallantt Metal Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

**Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is limited to examining 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.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019. We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.
8. 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 ALPS & Co.**  
*Chartered Accountants*  
Firm's Registration No: 313132E

**A. K. Khetawat**  
*Partner*  
Membership No: 52751

Place: Gorakhpur  
Date: August 13, 2019



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors,  
**GALLANTT METAL LIMITED**  
"GALLANTT HOUSE", I-7, Jangpura Extension,  
New Delhi – 110014.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gallantt Metal Limited having CIN: L27109DL2005PLC350524 and having Registered Office at "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.N.	Name of the Directors	DIN	Date of Appointment in the Company
1	Mr. Chandra Prakash Agrawal	01814318	01.04.2005
2	Mr. Dinesh Raghubir Prasad Agarwal	01017125	07.02.2005
3	Mr. Prashant Jalan	06619739	12.08.2013
4	Mr. Nitin Mahavir Prasad Kandoi	01979952	07.02.2005
5	Mr. Jyotirindra Nath Dey	00180925	30.11.2005
6	Mr. Prasant Kankrania	05241947	29.03.2012*
7	Mrs. Richa Bhartiya	06905283	12.11.2014
8	Mr. Sandip Kumar	08088624	31.03.2018*

\*Resigned from the Board effective from April 29, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**(Anurag Fatehpuria)**  
Practicing Company Secretary  
Membership No. 34471,  
CP No. 12855

Place: Gorakhpur  
Dated: August 13, 2019