



**GALANTT**

# **GALLANTT METAL LIMITED**

Annual Report 2017-18



## LETTER TO SHAREOWNERS

*Dear Shareowners,*

FY 2017-18 was a defining year for Gallantt Metal both in terms of financial performance and strategic growth. Over the years, Gallantt Metal has grown to be market leader in the State of Gujarat and adjacent states in Steel Sector and has established significant presence in the region. We have traversed dynamic market conditions and challenging demand-supply equations to reach where we are now.

### **Economic Outlook and Industry**

FY 2017-18 was characterised by a broad-based improvement in global growth, rising industrial production, progress on the supply side reforms in China and an uptick in global steel pricing environment.

Compared to the global scenario, the India story remains buoyant and holds significant potential. Firm government reforms, businesses adjusting to transformational policy changes like demonetisation, GST, RERA, etc. and increased spending on welfare and infrastructure needs gels well with the revival of India's growth theme. In FY 2017-18, India grew by 6.7 percent and the IMF growth forecast is 7.4 percent for FY 2018-19 and 7.8 percent in FY 2019-20. It is noteworthy that China's growth in FY 2018-19 will be 6.8 percent making India regain the crown of the fastest growing country among emerging economies.

According to the International Monetary Fund (IMF), the world economy is gathering speed. To make this gain sustainable, shared priorities across economies, which include structural reforms and working towards inclusive growth models, need to be implemented.

The IMF report mentions that 2017 saw the best global growth in seven years, having grown by 3.7 percent. While the growth is broad-based, notable upward surprises in Europe and Asia contributed to the record numbers.

Events around the world in the past year demonstrate a growing willingness of the political leadership to solve geopolitical and trade-related conflicts through debate and dialogue. This approach of world leaders across politics, businesses and regulatory affairs, to find solutions to systemic macro-economic imbalances by sitting across the table bodes well for a more equal world. That said, there are sporadic threats to the world economic order due to countryled

populist measures, ambitions of regional dominance and imbalanced growth within and across economies.

The Indian economy too saw a strong rebound in demand, especially in the second half, demonstrating a healthy resilience to disruptions and structural changes. India's macro fundamentals, such as fiscal deficit and credit rating are improving, and broader based financial reforms are being undertaken through initiatives such as relaxation of FDI rules, enactment of Insolvency and Bankruptcy Code and growth stemming from governmental spending.

### **Your Company's Performance**

For the first time in many years Infrastructure received a big boost in the form of budgetary allocation, and consumer sentiment too is on rise. We are crossing the GDP threshold of US\$2.5 trillion, and a likely thrust on infrastructure development. The medium and long-term outlook for steel demand is very positive. Gallantt Metal is participating in strategic opportunities under this process and is hopeful that quality, efficiency and governance will converge to make better utilisation of some this opportunities.

Being a flagship company of the Gallantt Group, Gallantt Metal is one of the leading steel producer with integrated steel manufacturing capabilities in the Western India. The company has established its presence with strong technological competencies. Poised to lead the market, Gallantt Metal has achieved stellar growth and has maintained its winning streak through the years.

Your Company has delivered good operational performance in FY 2017-18 and recorded a Revenue of ₹ 84,558.04 Lacs and EBIDT at ₹ 9,086.65 Lacs in the Fiscal. Profit before Tax and Profit after Tax stood at ₹ 6,933.53 Lacs and ₹ 4,933.29 Lacs respectively.

Revival in demand in the second half of the year was a key catalyst of our performance and was driven by improving prospects of the auto, construction and capital goods sectors.

We assure you our commitment for continued growth. I would like to thank all our stakeholders including employees, customers, regulators, bankers, vendors, etc. for making this journey memorable and worthwhile. I am confident that with your continued support and cooperation, we shall succeed in leading our mission to a successful conclusion, committed in line with the Government's mission of 'Infrastructural Development of India'.

Yours truly,

**C. P. Agrawal**



## GALLANTT METAL LIMITED

Corporate Identity Number (CIN): L27109WB2005PLC101553

### Corporate Profile

#### BOARD OF DIRECTORS

**Mr. Chandra Prakash Agrawal**  
*Chairman & Managing Director*

**Mr. Dinesh Raghbir Prasad Agarwal**  
*Whole Time Director*

**Mr. Nitin Mahavir Prasad Kandoi**  
*Director*

**Mr. Prashant Jalan**  
*Director-Plant Operation*

**Mr. Jyotirindra Nath Dey**  
*Non-Executive Independent Director*

**Mr. Prasant Kankrania**  
*Non-Executive Independent Director*

**Ms. Richa Bhartiya**  
*Non-Executive Independent Director*

**Mr. Sandip Kumar**  
*Non-Executive Independent Director*

#### AUDITORS

ALPS & CO.  
*Chartered Accountants*

#### COST AUDITORS

U. Tiwari & Associates  
*Cost Accountants*

#### CHIEF FINANCIAL OFFICER

Mr. Sandip Kumar Agarwal

#### COMPANY SECRETARY

Mr. Tarun Kumar Rathi

#### REGISTERED OFFICE

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

#### BANKERS

State Bank of India

#### EQUITY SHARES LISTED

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

#### REGISTRARS & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, B.R.B. Basu Road, Kolkata - 700 001  
Ph.: 033-22357270/7271/ 3070/ 2234  
Fax: 033-22156823

#### WORKS OFFICE

Near Toll Gate, Village - Samakhyali,  
Taluka - Bachau, District - Kutch  
Gujarat

#### AUDIT COMMITTEE

Mr. Prasant Kankrania - *Chairman*  
Mrs. Richa Bhartiya  
Mr. Jyotirindra Nath Dey

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Richa Bhartiya - *Chairman*  
Mr. Prasant Kankrania  
Mr. Jyotirindra Nath Dey

#### NOMINATION AND REMUNERATION COMMITTEE

Mr. Jyotirindra Nath Dey - *Chairman*  
Mr. Prasant Kankrania  
Mrs. Richa Bhartiya

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Jyotirindra Nath Dey - *Chairman*  
Mr. Chandra Prakash Agrawal  
Mr. Dinesh Kumar R. Agarwal

#### 14th ANNUAL GENERAL MEETING

Date	27.09.2018
Day	Thursday
Time	3.30 P.M.
Place	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.
Book Closure Date for AGM	Friday, September 21, 2018 to Thursday, September 27, 2018 (both days inclusive)
<b>Members are requested to register their email address with the Depository Participants/Registrar &amp; Share Transfer Agent.</b>	

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## NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of GALLANTT METAL LIMITED (CIN:L27109WB2005PLC101553) will be held on Thursday, 27th September, 2018 at 3.30 P.M. at – Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
  - b. the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2018 including the Audited Balance Sheet as at March 31, 2018 and Statement of Profit & Loss for the year ended on that date and the Report of the Auditors thereon.
2. To declare Final Dividend on Equity Shares for the Financial Year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee, M/s. ALPS & Co., Chartered Accountants (ICAI Firm Registration No. 313132E), 310, Todi Chambers, 2, Lalbazar Street, Kolkata – 700001 be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company for the financial year ending March 31, 2019.”

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

### SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration Number 23872) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2019, be paid remuneration amounting to Rs. 45,000/- (Rupees Forty Five Thousand only) excluding out of pocket expenses, if any”.

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

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Jyotirindra Nath Dey (DIN: 00180925), who was appointed as an Independent Director and who holds office of the Independent Director up to March 31, 2019 and who meets the criteria for Independence, being eligible for re-appointment

be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. April 01, 2019.”

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

7. To re-appoint Mr. Prasant Kankrania (DIN: 05241947) as an Independent Director for Second Term and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Prasant Kankrania (DIN: 05241947), who was appointed as an Independent Director and who holds the office of Independent Director up to March 31, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. April 01, 2019.”

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

8. To revise remuneration of Mr. Dinesh Raghbir Prasad Agarwal (DIN: 01017125), Whole-time Director of the Company and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013, applicable clauses of the Articles of Association of the Company and pursuant to the recommendation of the Audit Committee and recommendation of Nomination and Remuneration Committee, approval of the members of the Company, be and is hereby accorded for variation and modification in remuneration of Mr. Dinesh Raghbir Prasad Agarwal (DIN : 01017125) who fulfills the conditions of Schedule V to the Companies Act, 2013, as set out in the draft agreement entered into between the Company and Mr. Dinesh Raghbir Prasad Agarwal, which shall be as under:

**Salary:** At the rate of ₹ 1,80,000/- (Rupees One Lac Eighty Thousand only) per month from 1st April, 2018 in the scale of ₹ 1,80,000/- ₹ 10,00,000/- ₹ 2,00,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year.

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

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

**Commission:** Not exceeding 3.0 (three) percent of net profit in an accounting year of the Company subject to availability of profit w.e.f. financial year 2018-2019. Commission shall be paid on Quarterly basis of the provisional net profit earned by the Company subject to the conditions that the total Commission shall not exceed 3% of the Net Profit of the accounting year. Commission payment shall be subject to availability of profit.

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

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

**Gratuity, Encashment of Leave, Provident Fund etc.:**

He will be entitled to gratuity, Encashment of Leave, Provident Fund etc. as per rules of the Company.

“**RESOLVED FURTHER THAT** Total Remuneration of Mr. Dinesh Raghbir Prasad Agarwal in any financial year shall not exceed 5% of the net profit of the Company during that year.”

“**RESOLVED FURTHER THAT** the terms and conditions of appointment of Whole-time Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and

within applicable limits of the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** except slab of remuneration, all terms and conditions of remuneration and all other terms and conditions of appointment already approved by the members as per the agreement entered between the Company and Mr. Dinesh Raghbir Prasad Agarwal dated 28th August, 2015 shall remain unchanged.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Director / Committee of Director(s) to give effect to the aforesaid resolution.”

9. To consider appointment of Mr. Sandip Kumar (DIN: 08088624) as an Independent Director and in this regard, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Sandip Kumar (DIN: 08088624), who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who was appointed as Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a non-retiring Independent Director of the Company for a period of 5 (Five) consecutive years with effect from March 31, 2018.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Director(s) to give effect to the aforesaid resolution.”

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

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

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

By Order of the Board

Date: August 11, 2018  
Place: Gorakhpur

**Tarun Kumar Rathi**  
(Company Secretary)

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Director proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Annexure to this Notice.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Members and Share Transfer Books shall be closed from Friday, 21, September, 2018 to Thursday, September 27, 2018 (both days inclusive) the purposes of the Annual General Meeting of the Company.
9. During the Financial Year 2017-18, Board of Directors of the Company has recommended Dividend of 25 Paise only per share. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts are used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Niche Technologies Private Limited (the "Niche") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/ Niche.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Niche.
12. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
13. The Company has implemented the 'Green Initiative' as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. The email addresses indicated in your respective Depository Participant (DP) accounts are being periodically downloaded from NSDL/CDSL and will be deemed to be your registered email address for serving notices/documents including those covered under Section 136 of the Companies Act, 2013.

Members may also note that the Notice of the 14th AGM and the Annual Report for FY 2017-18, copies of audited financial statements, directors' report, auditors' report etc. will also be available on the website of the Company, [www.gallantt.com](http://www.gallantt.com) for download. Members holding shares in electronic mode are therefore requested to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company.

14. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
15. The Register of Directors and Key Managerial Personnel and their shareholding will be available for inspection by the members at the AGM.
  4. Your User ID details are given below :

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

16. Members may also note that the Notice of the 14th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.gallantt.com](http://www.gallantt.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069, West Bengal between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting.

#### 17. VOTING THROUGH ELECTRONIC MEANS

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

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

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

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

**Details on Step 1 is mentioned below:**

##### How to Log-into NSDL e-Voting website?

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



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

8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

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

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

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [tanmayks@gmail.com](mailto:tanmayks@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
18. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [tanmayks@gmail.com](mailto:tanmayks@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) without which the vote shall not be treated as valid.
19. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2018. A person who is not a member as on cut off date should treat this notice for information purpose only.
20. The notice of the Annual General Meeting will be sent to the members, whose names appear in the register of members / beneficiary owners as at closing hours of business on **10th August, 2018**.
21. The shareholders shall have one vote per equity share held by them as on the cut-off date of 20th September, 2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
22. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2018 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
23. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
24. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 20th September, 2018 are requested to send the written / email communication to the Company at [csgml@gallantt.com](mailto:csgml@gallantt.com) by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
25. Mr. Tanmay Kumar Saha, practicing Company Secretary Secretary, (Membership No. F8847 and CP No. 11918) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gallantt.com](http://www.gallantt.com) and on the website of NSDL. The same will be communicated to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited.
27. No gift coupon or gift shall be distributed to the Members at or in connection with the Annual General Meeting.
28. For any communication, the shareholders may also send requests to the Company Secretary e-mail IDs: [csgml@gallantt.com](mailto:csgml@gallantt.com).
29. The route map to the venue of AGM is provided in the Annual Report for easy location.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

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

**Item No. 5**

The Board of Directors at its meeting held on May 12, 2018 appointed M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration No. 23872), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2019, at a remuneration amounting to Rs. 45,000 (Rupees Forty Five Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

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

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

**Item No. 6 to 7:****Re-appointment of Independent Directors for a Second Term of 5 (Five) consecutive years on the Board of the Company**

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

Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreements with the stock exchanges, Mr. Jyotirindra Nath Dey (DIN: 00180925) and Mr. Prasant Kankrania (DIN: 05241947) were appointed as an Independent Directors on the Board of the Company for a period of 5 (Five). They shall hold office as an Independent Directors of the Company up to April 01, 2019 (“First Term” in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of

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

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

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

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

Further, in terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, no listed entity shall appoint or continue a person as a Non-Executive Director with effect from 1 April, 2019, who has attained the age of 75 years unless a Special Resolution is passed in this regard. As term of Mr. Jyotirindra Nath Dey, aged 81 years is expiring on March 01, 2019, their re-appointment is recommended to the Members. He is very energetic, enthusiastic and actively engaged in providing their guidance from time to time, so as to run the operations of the Company in better and successful manner.

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

Mr. Jyotirindra Nath Dey and Mr. Prasant Kankrania are interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice with regard to their respective re-appointments. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

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

#### Item No. 8:

##### Revision in Remuneration of Mr. Dinesh Raghbir Prasad Agarwal

Pursuant to an Agreement dated August 28, 2015 entered into between the Company and Mr. Dinesh Raghbir Prasad Agarwal (DIN: 01017125), Mr. Dinesh Raghbir Prasad Agarwal was reappointed as a Wholetime Director effective from 1st November, 2015 and the said reappointment was approved by the Shareholders in the next Annual General Meeting held on September 28, 2015. Mr. Dinesh Raghbir Prasad Agarwal, a promoter of the Company having experience of 29 years in the industry, is a Commerce Graduate.

Mr. Dinesh Raghbir Prasad Agarwal is involved in the operations of the steel manufacturing facility of the Company. He was involved in setting up of the operations of our Company and has been instrumental in the implementation of technological advances made in the manufacturing processes of our Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company. Mr. Dinesh Raghbir Prasad Agarwal supervises the operation and functioning of steel and power plants, besides he supervises Purchase and procurement departments of the Company.

Remuneration being paid to Mr. Dinesh Raghbir Prasad Agarwal is very nominal keeping in mind the amount of

job responsibilities and roles, he is handling considering various parameters which, inter alia, includes, the scale of operations of the Company and increased involvement of Mr. Dinesh Raghbir Prasad Agarwal for the overall growth of the Company especially in respect of setting up of new expansion manufacturing units, streamlining the production capacities of existing units, exploring new markets, deeper penetration of existing markets and enhancing brand value through various initiatives etc. with a view to ensure objectivity in determining the remuneration package as well as maintaining a balance between interest of the company and shareholders. Revision in remuneration of Mr. Dinesh Raghbir Prasad Agarwal was required with the view to make the same commensurate with their efforts given to and involvement in the Company by way of increasing monthly/quarterly payment so as to maintain a regular distribution of cash flow.

Hence, it is necessitated as to remunerate Mr. Dinesh Raghbir Prasad Agarwal with a certain percentage of the Net Profit together with the existing slab of remuneration for the remaining tenure of service period of Mr. Dinesh Raghbir Prasad Agarwal. Subject to the provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013 and subject to such amendments as may be made therein by the members of the Company, Mr. Dinesh Raghbir Prasad Agarwal shall be remunerated as under:

**Salary:** At the rate of ₹ 1,80,000/- (Rupees One Lac Eighty Thousand only) per month from 1st April, 2018 in the scale of ₹ 1,80,000/- ₹ 10,000/- ₹ 2,00,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year.

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

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

**Commission:** Not exceeding 3.0 (three) percent of net profit in an accounting year of the Company subject to availability of profit w.e.f. financial year 2018-2019. Commission shall be paid on Quarterly basis of the provisional net profit earned by the Company subject to the conditions that the total Commission shall not exceed 3% of the Net Profit of the accounting year. Commission payment shall be subject to availability of

profit.

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

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

**Gratuity, Encashment of Leave, Provident Fund etc.:**

He will be entitled to gratuity, Encashment of Leave, Provident Fund etc. as per rules of the Company.

The copy of the Agreement referred to in the Resolution is available for inspection of the Members at the Registered Office of the Company on any working day during business hours and will also be available for inspection throughout the continuance of the 14th Annual General Meeting.

This shall also be treated as an abstract of the terms of the Contract / Agreement as to the nature of concern or interest of the Directors pursuant to Section 190 of the Companies Act, 2013.

The aforesaid terms & conditions governing remuneration of Mr. Dinesh Raghbir Prasad Agarwal fall within the parameters as prescribed in Schedule-V to the Companies Act, 2013 as amended upto date hence only Shareholders' approval is required and no approval of the Central Government is necessary in this case.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested with this resolution except Mr. Dinesh Raghbir Prasad Agarwal.

The Board hereby recommends the resolution as set out at Item No. 8 for consideration and approval of Members of the Company by way of Special Resolution.

**Item No. 9**

**Appointment of Mr. Sandip Kumar as an Independent Director**

On the recommendation of the Nomination and Remuneration Committee, the Board Members have appointed Mr. Sandip Kumar as non-retiring Additional Director (Independent Category) in its Meeting held on March 31, 2018. He shall hold the office upto the date of 14th Annual General Meeting and is eligible for being appointed as an Independent Director.

Mr. Sandip Kumar, is B-Com (H) from Calcutta University and Qualified CS Executive examination conducted by the Institute of Company Secretaries of India. He is

having over 5 years in the field of finance and accounts. His expertise in the finance and accounts would prove an asset for the Company

The Board of Directors is of opinion that Mr. Sandip Kumar meets the criteria of Independence and fulfils the conditions for appointment as Independent Director in terms of the Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. He has also submitted his willingness to act as Director of the Company. Considering his rich experience, Members are requested to consider his candidature for Independent Director.

Mr. Sandip Kumar shall hold office for a period of 5 (Five) years with effect from March 31, 2018. The Company has received following documents from Mr. Sandip Kumar proposed to be appointed as Independent Director:

- i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.
- ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.
- iii) A declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A copy of appointment letter of Mr. Sandip Kumar as Independent Director, setting out his terms and conditions would be open for inspection by any Member without any fee, at the Registered Office of the Company during normal business hours on any working day and shall also be available for inspection throughout the continuance of 14th Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their relatives are in any way concerned or interested with this resolution except Mr. Sandip Kumar.

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

**Item No. 10**

**Loan to Gallantt Ispat Limited (GIL)**

Pursuant to the provisions of Section 185 of the Companies Act, 2013 as amended by Companies Amendment Act, 2017, the Company may advance any Loan including any Loan represented by a Book debt to

any person in whom any of the Director of the Company is interested subject to condition that Members approve the same by way of Special Resolution.

Members are hereby informed that Gallantt Ispat Limited (GIL) is a Related Party as Mr. Chandra Prakash Agarwal, Managing Director and Mr. Jyotirindra Nath Dey, Independent Director are common in both the Companies. Mr. Chandra Prakash Agrawal holds 52,34,004 Equity Shares (18.536% approx.) shares in GIL and whereas Mr. Jyotirindra Nath Dey does not hold shares in GIL either directly or indirectly.

GIL is in requirement of funds for running its business operations in a more efficient manner. For this purpose, the Board of Directors on the basis of the

recommendation of the Audit Committee, has approved granting of Loan up to Rs. 50 Crores (Rupees Fifty Crores only) to GIL in one or more tranches, in its Meeting held on August 11, 2018. This approval is subject to approval of Members by way of Special Resolution.

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

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

The Board hereby recommends the resolution as set out at Item No. 10 for consideration and approval of Members of the Company by way of Special Resolution.

#### Annexure 1

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

Name of the Director	Mr. Jyotirindra Nath Dey
DIN	00180925
Date of Birth and Age	05.06.1937 (81 Years approximately)
Date of first appointment on the Board	10.10.2009
Qualifications	Electrical Engineer
Experience and Expertise	Mr. Jyotirindra Nath Dey is an Electrical Engineer having experience of over 48 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. association of Consulting Engineer (I), Indian Society of Lighting Engineering, Arbitration any many more.
Number of Meetings of the Board attended during the year.	Eight (8). For details please refer to Corporate Governance Report forming part of Annual Report. Apart from the regular Board Meetings, he has also attended separate meeting of Independent Directors.
List of Directorship / Membership / Chairmanship of Committees of other Board.	<p><u>List of Directorship of other Companies:</u></p> <ol style="list-style-type: none"> <li>1. Gallantt Ispat Limited</li> <li>2. Concrete Credit Limited</li> <li>3. Princeton Comtrade Private Limited</li> <li>4. Swiss Highrise Private Limited</li> <li>5. Nilgiri Vanijya Private Limited</li> <li>6. Pacific Vinimay Private Limited</li> </ol> <p><u>List of Membership/Chairmanship of Committees of other Companies:</u></p> <ol style="list-style-type: none"> <li>1. Chairman-Audit Committee of Concrete Credit Limited</li> <li>2. Member-Stakeholder Relationship Committee- Concrete Credit Limited</li> <li>3. Member-Nomination and Remuneration Committee-Concrete Credit Limited</li> <li>4. Chairman- Nomination and Remuneration Committee of Gallantt Ispat Limited</li> <li>5. Member-Stakeholder Relationship Committee- Gallantt Ispat Limited</li> <li>6. Member-Audit Committee –Gallantt Ispat Limited</li> <li>7. Chairman – Corporate Social Responsibility Committee- Gallantt Ispat Limited</li> </ol>
Shareholding in Gallantt Metal Limited	NIL

Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with other directors, manager and other Key Managerial Personnel of the company
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Jyotirindra Nath Dey is an Independent Director of the Company. He was appointed as an Independent Director on the Board of the Company for a period of five years and his first tenure as an Independent Director completes on March 31, 2019. He has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from April 01, 2019 up to March 31, 2024. Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. He has drawn a sitting fee of ₹ 64,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	He is very energetic, enthusiastic and actively engaged in providing their guidance from time to time, so as to run the operations of the Company in better and successful manner.

Name of the Director	Mr. Prasant Kankrania
DIN	05241947
Date of Birth and Age	23.07.1986 (32 Years approximately)
Date of first appointment on the Board	29.03.2012
Qualifications	B.Com(H), Chartered Accountant
Experience and Expertise	Mr. Prasant Kankrania, aged about 32 years, is finance professional with over 9 years of work experience. After graduating as Bachelor of Commerce from Calcutta University, Mr. Kankrania qualified as a Chartered Accountant. He possesses vast experience in the field of taxation, accounting, banking, finance and corporate law matters.
Number of Meetings of the Board attended during the year.	Eight (8). For details please refer to Corporate Governance Report forming part of Annual Report. Apart from the regular Board Meetings, he has also attended separate meeting of Independent Directors.
List of Directorship / Membership / Chairmanship of Committees of other Board.	NIL
Shareholding in Gallantt Metal Limited	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship with other directors, manager and other Key Managerial Personnel of the company
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Prasant Kankrania is an Independent Director of the Company. He was appointed as an Independent Director on the Board of the Company for a period of five years and his first tenure as an Independent Director completes on March 31, 2019. He has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from April 01, 2019 up to March 31, 2024. Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. He has drawn a sitting fee of ₹ 56,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	Considering and Keeping in mind backgrounds, rich experiences of diversified sectors and contributions made by Mr. Prasant Kankrania during his tenure, his continued association would be beneficial to the Company and it is desirable to continue to avail his services as Independent Directors.

Name of the Director	Mr. Dinesh Raghubirprasad Agarwal
DIN	01017125
Date of Birth and Age	19.03.1965 (53 Years approximately)
Date of first appointment on the Board	07.02.2005 (Since Incorporation)
Qualifications	<b>B.Com (H)</b>
Experience and Expertise	Mr. Dinesh R. Agarwal, a promoter Director of the Company having experience of 29 years in textiles sector and more than a decade in iron and steel sector. In his capacity as Whole-time, he is managing all entire marketing and general administrative division of the Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company.
Number of Meetings of the Board attended during the year.	Six (6). For details please refer to Corporate Governance Report forming part of Annual Report
List of Directorship / Membership / Chairmanship of Committees of other Board.	<b>Directorship:</b> Kadodara Power Private Limited Ganesh Laxmi Processors Private Limited GL Steel and Power Limited GL Minerals Private Limited
Shareholding in Gallantt Metal Limited	23,07,251
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>Mr. Dinesh Raghubirprasad Agarwal is a Whole-time Director of the Company. He is serving on the Board of the Company since incorporation (07.02.2005). His reappointment was made effective from November 01, 2015 for five years on the following terms of remuneration:</p> <p><b>Salary:-</b>At the rate of ₹ 1,50,000/- (Rupees One Lac Fifty Thousand only) per month from 1<sup>st</sup> September, 2015 in the scale of ₹ 1,50,000 – ₹ 10,000 – ₹ 2,00,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2016.</p> <p><b>Perquisites:</b> - He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees &amp; premium for medical/accidental insurance subject to maximum amount not exceeding ₹ 3,00,000/- in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.</p> <p><b>Others:</b> Use of car for Company's business, telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall not be treated as perquisites.</p> <p><b>Commission:</b> No commission shall be paid.</p> <p><b>Minimum Remuneration:</b> The above salary will be payable to the Managing Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule V to the Companies Act, 2013.</p> <p><b>Sitting Fees:</b> The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.</p> <p><b>Gratuity, Encashment of Leave, Provident Fund etc.:</b> He will be entitled to gratuity, Encashment of Leave, Provident Fund etc. as per rules of the Company.</p> <p>His last drawn remuneration inclusive of perquisites is ₹ 20.40 Lacs in the financial year 2017-18.</p> <p>Remuneration of Mr. Dinesh Raghubir Prasad Agarwal revised as per the details given in the Notice of 14<sup>th</sup> Annual General Meeting.</p>



Justification for choosing the appointees for appointment as Independent Directors	Vast experience in the field of Production, Marketing, Accounts, Finance etc.
Chairman/member of the Committee of the Board of Directors of this Company	Member of Corporate Social Responsibility Committee of the Board.

Name of the Director	Mr. Sandip Kumar
DIN	08088624
Date of Birth and Age	16.11.1989 (29 Years approximately)
Date of first appointment on the Board	31.03.2018
Qualifications	B.Com (H), passed Executive of the Institute of Company Secretaries of India
Experience and Expertise	Mr. Sandip Kumar, aged about 28 years, has a vast experience of 5 years in the field of finance and accounts. He is a Commerce Graduate from Calcutta University. His expertise in the finance and accounts would prove an asset for the Company.
Number of Meetings of the Board attended during the year.	One (1). For details please refer to Corporate Governance Report forming part of Annual Report
List of Directorship / Membership / Chairmanship of Committees of other Board.	NIL
Shareholding in Gallantt Metal Limited	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the company	No Relationship
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Mr. Sandip Kumar is an Independent Director of the Company. He was appointed as an Additional Independent Director on the Board of the Company for a period of five years effective from March 31, 2018. He has been appointed as an Independent Director for his Second Term of 5 (Five) consecutive years on the Board of the Company. Apart from receiving sitting fees he has no other pecuniary relationship or transactions with the Company, Promoters, Directors, Key Managerial Personnel and their relatives. He has drawn a sitting fee of ₹ 4,000 during the financial year 2017-18.
Justification for choosing the appointees for appointment as Independent Directors	His expertise in the finance and accounts would prove an asset for the Company.
Chairman/member of the Committee of the Board of Directors of this Company	Member of Corporate Social Responsibility Committee of the Board.

For **Gallantt Metal Limited**

Date: August 11, 2018  
Place: Gorakhpur

**Tarun Kumar Rathi**  
(Company Secretary)

# DIRECTORS' REPORT

TO THE MEMBERS

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

## CORPORATE OVERVIEW

Gallantt Metal Limited ("Your Company" or "The Company") is a leading Iron and Steel manufacturing Company in Gujarat. The Company has its Registered Office at Kolkata and Factory at Samakhali, Kutch, Gujarat.

## WORKING RESULTS

(₹ in Lacs)

Financial Results	Standalone		Consolidated	
	2018	2017	2018	2017
Income from operation	84,558.04	69,319.96	84,558.04	69,319.96
Other Operating Income	476.23	124.72	476.23	124.72
Finance Cost	656.16	628.27	656.16	628.27
Depreciation (including amortization)	1,496.96	1,685.09	1,496.96	1,685.09
Profit Before Tax	6,933.53	2,977.80	6,933.53	2,977.80
Tax Expenses (including Deferred Tax)	2,000.24	313.63	2,000.24	313.63
Profit After Tax	4,933.29	2,664.17	4,933.29	2,664.17

## FINANCIAL ACCOUNTING AND ADOPTION OF IND AS

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

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

## BUSINESS OPERATION AND PERFORMANCE REVIEW

During the year Revenue from Operations stood at ₹ 84,558.04 Lacs. FY17-18 has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 21.98% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company recorded a growth of 85.17% in Net Profit on year to year basis (standalone) despite a relatively sluggish

industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Net Profit stood at ₹ 4,933.29 Lacs. Earnings per Share (EPS) stood at ₹ 6.07 (standalone) and ₹ 7.71 (consolidated) for the Financial Year ended March 31, 2018. There is no change in the nature of the business of the Company. Disclosure of financial statement of subsidiaries and associate company has been provided in the prescribed format as a part of this Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. Factory had been working efficiently during the year. Safety measures and processes have been installed and improved upon at the plants and work sites.

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

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

## DIVIDEND

During the year, your Directors recommended a Dividend of Re. 0.25 (Paise Twenty Five only) per Equity Share on 8,13,22,324 Equity Shares of ₹ 10 /- each i.e. 2.5% on each Equity Share of the company, total outgo on account of dividend shall be ₹ 2,03,30,581 subject to tax.

Securities and Exchange Board of India ('SEBI'), vide its notification dated 8 July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market Capitalization calculated as on 31 March of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites (www.gallantt.com). On the basis of market capitalisation, your Company does not fall under Top 500 listed entities.

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

#### **SHARE CAPITAL**

The paid up Equity Share Capital as at March 31, 2018 stood at 8,132.23 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2018, none of the Directors of the company hold instruments convertible into equity shares of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

laws and that such system were adequate and operating effectively.

#### **FINANCE AND ACCOUNTS**

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

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

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

#### **LISTING INFORMATION**

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2018-19. The ISIN No. of the Company is INE297H01019.

#### **CREDIT RATING**

India Ratings and Research Private Limited has affirmed grade A- for credit rating of Term Loan and Grade A2 for working capital facilities.

#### **FIXED DEPOSITS**

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

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

M/s. ALPS & Co., Chartered Accountants (ICAI Firm Registration No. 313132E), 310, Todi Chambers, 2, Lalbazar Street, Kolkata – 700001 statutory auditors of the Company was appointed as the Auditors of the Company at the previous Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, Statutory Auditors of the Company hold office until the conclusion of the 5 years.

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

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

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

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

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

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

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

### **COST AUDIT**

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2016-17 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed with the approval of the Central Government to carry out the cost audit in respect of the Company for the financial year 2017-18. Based on the recommendation of the Audit Committee, M/s. U. Tiwari & Associates, Cost Accountants, being eligible, have also been appointed by the Board as the Cost Auditors for the financial year 2018-19 also.

### **INSURANCE**

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

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

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

### **BOARD COMMITTEES**

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

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

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

### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other

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

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

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

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

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

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

### **MARKET AND FUTURE PROSPECTS**

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

### **DETAILS OF POLICIES**

#### **(i) Nomination and Remuneration Policy**

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

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

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

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

#### **(iii) Risk Management Policy**

Business Risk Evaluation and Management is an ongoing process within the Organization. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Board has framed a Risk Management Policy for the Company. The Company has in place a mechanism to identify, assess, monitor and

mitigate various risks to key business objectives. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. At present the company has not identified any element of risk which may threaten the business (or) existence of the company.

(iv) Whistle Blower Policy – Vigil Mechanism

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

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company [www.gallantt.com](http://www.gallantt.com) under the Investors Corner link.

#### SECRETARIAL AUDITORS

Mr. Anurag Fatehpuria, Practising Company Secretary, having office address at 23/1, Sita Nath Bose Lane, Salkia Howrah 711101 has been appointed as Secretarial Auditors of the Company for the FY ended 31.03.2018. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure - IX** and forms part of this report.

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

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

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

A separate meeting of Independent Directors was also held to review the performance of Managing Director,

performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

#### FAMILIARISATION PROGRAMME

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

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

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

#### CODE OF CONDUCT

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

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

The full text of the Code is hosted on the Company's website [www.gallantt.com](http://www.gallantt.com) under the Investors Corner link.

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

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

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

Eight (8) meetings of the Board of Directors of the Company were conducted during the financial year and

Eight (8) meetings of the Audit Committee of the Board of Directors were conducted during the financial year. The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

#### AUDIT COMMITTEE

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

Names	Designation	Category
Mr. Prasant Kankrania	Chairman	Independent
Mr. Jyotirindra Nath Dey	Member	Independent
Mrs. Richa Bhartiya	Member	Independent

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

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

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

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

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

Sl. No.	Name	Status	Date
1	GL Steel and Power Limited	Company has acquired entire shareholding of GL Steel and Power Limited and it has become Wholly Owned Subsidiary of the Company.	28.02.2018

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

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

#### CORPORATE SOCIAL RESPONSIBILITY

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

Corporate Social Responsibility Committee of the Company is constituted of:

Mr. Jyotirindra Nath Dey, Chairman,

Mr. Chandra Prakash Agrawal and

Mr. Dinesh Raghbirprasad Agarwal

#### KEY MANAGERIAL PERSONNEL

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

Sl. No.	Name	Designation
1	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
2	Mr. Dinesh Raghbirprasad Agarwal	Whole-time Director
3	Mr. Prashant Jalan	Whole-time Director
4	Mr. Sandip Kumar Agarwal	Chief Financial Officer
5	Mr. Tarun Kumar Rathi	Company Secretary

#### CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

## BUSINESS RESPONSIBILITY REPORT

Your Company does not fall under Top 500 listed entities as per Market Capitalisation. Hence, the Business Responsibility Report for the financial year, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not attached to this Annual Report.

## EXTRACT OF ANNUAL RETURN

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

## RISK MANAGEMENT

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

### Financial risks

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

### Commodity price risks

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

### Regulatory risks

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

### Human resource risks

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

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

There is no unpaid or unclaimed Share Application Money and Dividend is pending to be paid to the investors and shareholders till 31.03.2018:

## BOARD OF DIRECTORS AND SENIOR EXECUTIVE

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

Mr. Jyotirindra Nath Dey, Mr. Prasant Kankrania, Mrs. Richa Bhartiya and Mr. Sandip Kumar are Independent Directors of the Company. Independent Directors are appointed for five consecutive years and are not liable to retire by rotation in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. Mrs. Richa Bhartiya has been appointed as Independent Woman Director. Mr. Sandip Kumar Agarwal is Chief Financial Officer and is inter alia looking after the core finance function of the Company. Mr. Tarun Kumar Rathi has been appointed as a Company Secretary and Compliance Officer of the Company effective from March 31, 2018. Mr. Sandip Kumar has been appointed as an Additional Director to be regarded as an Independent Director.

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

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

Mr. Sandip Kumar has been appointed as an Additional Director to be regarded as an Independent Director effective from March 31, 2018. Further Mr. Tarun Kumar Rathi has been appointed as a Company Secretary and Compliance Officer of the Company effective from March 31, 2018.

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

## TRANSFER TO RESERVES

Company has not transferred profit to reserve.

## RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2018, being arm's length transactions have been reported in the financial statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a

Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company [www.gallantt.com](http://www.gallantt.com) under the Investors Corner link.

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

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

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

#### OUTLOOK AND EXPANSION

The recent trend in macro indicators clearly point towards improving fundamentals of the domestic economy. The Central Government has also shown its intent in furthering the reform momentum to revive investments and improve governance. The global commodity cycle is expected to be benign with consumption demand from the Chinese economy slowing down. Taking cues from the inflationary trend, the Reserve Bank of India has already eased the monetary cycle and is expected to bring out more interest rate cuts going forward. All this favorable factors coupled with some of the important developmental reforms that are being pursued by the Central Government like the tax reform and push for infrastructure spending will set the stage for further pick-up in economic activity in 2017-18. This should augur well for your Company's business across infrastructure.

#### Expansion Project:

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

The expansion plan by further investment in installation

of new capacities and technology upgradation and modern machinery for increasing the capacity of the existing Units are being implemented.

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

#### Phase I Expansion:

Capacity in MTPA

Units	Unit	Existing Capacity	Proposed Addition in Capacity	Total Capacity After Addition
Captive Power	MW	33	18	51
DRI	MT	225000	148500	373500
Steel Melt Shop	MT	257400	171600	429000
Rolling Mill	MT	250800	171600	422400

#### PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

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

#### DECLARATION OF INDEPENDENCE

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

#### AWARD AND RECOGNITIONS

During the year Company has not received any award.

#### MATERIAL CHANGES AND COMMITMENTS

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

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

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



**GENERAL**

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

**CHANGE IN SHARE CAPITAL**

There is no change in Share Capital during the year under Report.

**INTERNAL FINANCIAL CONTROLS**

Your Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control. Your Company had laid down guidelines, policies, procedures and structure for appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively. The Audit Committee evaluated the internal financial controls based on the following criteria:

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

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

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

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

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

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

**FRAUD REPORTING**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

Apart from the CSR activities under the Companies Act, 2013, the Company continues to voluntarily support various social initiatives details of which have been given on this Report.

**ENVIRONMENT AND SAFETY**

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

### ORDER OF SEBI, NSE AND BSE LIMITED

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

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

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

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

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

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

### MANDATORY UPDATE OF PAN AND BANK DETAILS AGAINST YOUR SHARE HOLDING

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

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

- *Enclosed Form duly filled in and signed by all the shareholders.*
- *Self-Attested Copy of Pan Card of all the shareholders,*
- *Cancelled Cheque Leaf with Name (if name is not printed on cheque - self-attested copy of first page of pass book) of all the shareholders and*
- *Address Proof (self-attested copy of Aadhaar-Card of all the shareholders)*

### TRANSFER OF SHARES COMPULSORILY IN DEMAT MODE

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

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

### ACKNOWLEDGEMENT

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

Place: Gorakhpur  
Date: August 11, 2018

On behalf of the Board  
**C. P. Agrawal**  
Chairman

# ANNEXURE - I TO THE DIRECTORS' REPORT

## DIVIDEND DISTRIBUTION POLICY

### 1. Statutory Mandate

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

### 2. Background

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

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

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

### 3. Policy

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

### 4. Dividend

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

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

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

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

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

feasible, in the quantum of Dividend paid to Shareholders.

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

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

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

### 5. Factors to be considered for declaration of Dividend

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

### 6. Revision in the Policy

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

### 7. General

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

# ANNEXURE - II TO THE DIRECTORS' REPORT

## FORM –A

### Disclosure of Particulars with respect to conservation of energy

Particulars	2017-18	2016-17
<b>A. Power &amp; Fuel Consumption</b>		
1. <b>Electricity</b>		
(a) <b>Purchased</b>		
Total Unit in Lakh	136.86	148.93
Amount ₹ in Lakh	1,333.36	1,296.46
Rate Per Unit (₹)	9.74	8.71
(b) <b>Own Generation (Net)</b>		
Total Units in Lakh	2,154.75	1,829.80
Amount ₹ In Lakh	9,770.60	7,066.61
Rate per Unit	4.53	3.86
2. <b>Coal</b>		
Quantity- M.T.	3,19,034	2,83,646
Total Cost- ₹ in Lakh	18,262.93	12,664.64
Average rate - ₹ per M.T.	5,724	4465
3. <b>Furnace Oil</b>		
Quantity (K. Ltrs.)	187.90	211.67
Total Cost (₹ Lakh)	45.69	40.96
Average Rate (₹ / K. Ltrs.)	24,315	19,351
<b>B. Consumption per unit of production</b>		
1. <b>Electricity (Unit/M.T.)</b>		
Sponge Iron	75	77
Rolling	107	111
SMS (Furnace)	796	759
2. <b>Coal (Kg/M.T.)</b>		
Sponge Iron	861	847
Rolling (M.S. Bar)	13	14
Power Plant (Per 1000 KWH) (Net)	696	692

## FORM –B

### Disclosure of Particulars with respect to technology absorption

#### RESEARCH & DEVELOPMENT (R&D)

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

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

##### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

#### 2. Benefits derived as a result of the above efforts

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

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	2017-2018 (₹ in Lakh)	2016-2017 (₹ in Lakh)
CIF Value of imports	25,664.60	12,715.67
Expenditure in foreign currency	55.95	191.21
Earning in foreign currency	–	–

## ANNEXURE - III TO THE DIRECTORS' REPORT

### MANAGERIAL REMUNERATION

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

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

Name	Designation	Ratio to median remuneration of employees
Chandra Prakash Agrawal	Chairman & Managing Director	9.69 : 1
Dinesh Raghbirprasad Agarwal	Whole-time Director	9.69 : 1
Prashant Jalan	Director (Plant-Operation)	3.20 : 1
Nitin Mahavir Prasad Kandoi	Non-Executive Director	N.A.*
Jyotirindra Nath Dey	Independent Director	N.A.*
Richa Bhartiya	Independent Director	N.A.*
Prasant Kankrania	Independent Director	N.A.*
Sandip Kumar	Independent Director	N.A.*

- Except sitting fees, no remuneration is paid to the Non-executive Independent Director and Non-Executive Director

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

Name	Designation	% increase
Chandra Prakash Agrawal	Chairman & Managing Director	5.58
Dinesh Raghbirprasad Agarwal	Whole-time Director	5.58
Prashant Jalan	Director (Sales & Marketing)	1.97
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	N.A.*
Jyotirindra Nath Dey	Independent Director	N.A.*
Richa Bhartiya	Independent Director	N.A.*
Prasant Kankrania	Independent Director	N.A.*
Sandip Kumar	Independent Director	N.A.*
Sandip Kumar Agarwal	Chief Financial Officer	7.07
Tarun Kumar Rathi / Rajesh Upadhayay	Company Secretary	NIL

- (c) percentage increase in the median remuneration of employees in the financial year: -24.29%

- (d) number of permanent employees on the rolls of company; 905

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

The profit before tax for the financial year ended March 31, 2018 increased by 132.84% and the profit after tax for the financial year ended March 31, 2018 increased by 85.17%, whereas the increase in median remuneration is -24.29%.

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

The total remuneration of KMP increased by 4.82%, whereas the profit before tax increased by 132.84% and the profit after tax increased by 85.17%.

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

-18.75% (non-Managerial personnel) and -1.42% (Managerial Personnel)

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

Name	Designation	% increase	Comparison
Chandra Prakash Agrawal	Chairman & Managing Director	5.88%	The profit before tax for the financial year ended March 31, 2018 increased by 132.84% and the profit after tax for the financial year ended March 31, 2018 increased by 85.17%.
Dinesh Raghubirprasad Agarwal	Whole-time Director	5.88%	
Prashant Jalan	Director (Plant Operations)	1.97%	
Sandip Kumar Agarwal	Chief Financial Officer	7.07%	
Tarun Kumar Rathi and Rajesh Upadhyaya*	Company Secretary	NIL	

\* Mr. Rajesh Upadhyaya resigned from the post of Company Secretary w.e.f 31.03.2018 and in his place Mr. Tarun Kumar Rathi joined as a Company Secretary.

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

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

(j) the ratio of the remuneration of the highest paid director to that of the employees who are not

directors but receive remuneration in excess of the highest paid director during the year; NIL

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

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

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

Sr.	Employee Name	Father Name	D.O.B	Age	Educational Qualification	Date of Joining	Salary	Last Employment	Designation	Department	Relation with Directors	Experience
1	Anmol Anand	Ramlal Anand	12/03/1959	59	Bachlar of Engineering	01/04/2014	4502905	Greensol Power Syatem Pvt Ltd,	President	Power Plant	No	37
2	Mahesh Kumar Hukumchand Gupta	Hukmichand Gupta	01/08/1957	61	Bachlar of Commerce	01/04/2004	2729916	Ganesh Laxmi Proccesr Pvt. Ltd,Surat	President	Administration	No	37
3	Balvinder Darshan Ram Dhiman Rai	Darshan Ram Rai	14/04/1957	61	Bachlar of Engineering (Electrical )	09/05/2014	2582228	K.R. Pulp & Pappers Ltd,Sahajapur.	V.P.	Power Plant	No	36
4	Akash Agarwal	Dinesh R Agarwal	02/05/1989	29	BBA	01/06/2017	2166600	Ganesh Laxmi Proccesr Pvt. Ltd,Surat	Senior Executive (Marketing)	Administration	Yes	6
5	Prashant Bhardwaj	Subhash Chandra Sharma	15/09/1978	40	PGDBM	01/07/2013	2063559	Kamdhenu Ispat Ltd	V.P. ( Sales )	Sales	No	17
6	Rajnish Ratnesh J. P. Srivastva	J.P. Srivastva	17/10/1969	49	Bachlar of Engineering (Instruma_ ntation)	16/09/2013	1898836	Rauza Gaon Chini Mill,Balrampur	DGM Instruma- ntation	Power Plant	No	22
7	Arup Chakraborty	Asitranjan Chakraborty	02-01-1971	47	Diploma Mechanical	01-06-2016	1738463	L & T Limited	Manager	Administration	No	24
8	Parathsaradhi Sekhar Rao Dulla	Sekhar Rao Dulla	12/03/1982	36	B. Tech, Metallurgy	01/01/2016	1696287	Baba Akila Sai Jyoti Industries Pvt. Ltd	General Manager, Process	Sponge Plant	NO	13
9	Veeraswami Rangaiah Kesagani	Rangaiah Kesagani	24/06/1979	38	B. Tech, Metallurgy	04/01/2016	1673010	Baba Akila Sai Jyoti Industries Pvt. Ltd	AGM, Process	Sponge Plant	No	13
10	MR KRIPAL SINGH HARNAM SINGH	Harnam Singh	15-05-1966	52	Diploma Mechanical	27-06-2014	1572807	Electhritham India Ltd	Mill Forman	Rolling Mill	No	27

# ANNEXURE - IV TO THE DIRECTORS' REPORT

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

₹ In Lacs

Date of Loan	Date of Board Resolution	Date of Special Resolution (if any)	Name of Borrower	Purpose for which the loan is proposed to be utilized by the recipient	Amount (in Lacs)	Rate of Interest	Security	Prevailing of yeidl of 1/3/5/10 year Government Security at the time of extending the loan
26-04-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	136.64	9.75	UNSECURED	Yield of 5 years Bond is 7.315
29-04-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	330.00	9.75	UNSECURED	
17-05-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	500.00	9.75	UNSECURED	
17-07-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	500.00	9.75	UNSECURED	
31-07-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	500.00	9.75	UNSECURED	
12-09-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	400.00	9.75	UNSECURED	
15-09-2017	13.02.2017	N.A.	Sarvoday Tower Pvt Ltd	BUSINESS	200.00	12.00	UNSECURED	
27-09-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	1200.00	9.75	UNSECURED	
05-10-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	120.00	9.75	UNSECURED	
23-10-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	200.00	9.75	UNSECURED	
24-10-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	200.00	9.75	UNSECURED	
25-10-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	200.00	9.75	UNSECURED	
06-11-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	400.00	9.75	UNSECURED	
02-12-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	460.00	9.75	UNSECURED	
05-12-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	100.00	9.75	UNSECURED	
06-12-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	200.00	9.75	UNSECURED	
07-12-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	100.00	9.75	UNSECURED	
11-12-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	200.00	9.75	UNSECURED	
20-12-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	800.00	9.75	UNSECURED	
21-12-2017	13.02.2017	N.A.	Shalimar Corp Ltd	BUSINESS	200.00	9.75	UNSECURED	
29-12-2017	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	600.00	9.75	UNSECURED	
11-01-2018	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	100.00	9.75	UNSECURED	
22-01-2018	13.02.2017	N.A.	Shree Surabhi Flour Mills Pvt Ltd	BUSINESS	500.00	9.75	UNSECURED	
05-03-2018	13.02.2017	N.A.	Nihon Impex Pvt Ltd	BUSINESS	500.00	9.75	UNSECURED	
06-03-2018	13.02.2017	N.A.	Nihon Impex Pvt Ltd	BUSINESS	800.00	9.75	UNSECURED	
07-03-2018	13.02.2017	N.A.	Nihon Impex Pvt Ltd	BUSINESS	1000.00	9.75	UNSECURED	
16-03-2018	13.02.2017	N.A.	Nihon Impex Pvt Ltd	BUSINESS	200.00	9.75	UNSECURED	
20-03-2018	13.02.2017	N.A.	GL Steel & Power Ltd	BUSINESS	92.50	9.75	UNSECURED	

# ANNEXURE - V TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### OVERVIEW OF THE ECONOMIC ENVIRONMENT:

Global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues, and as commodity-exporting developing economies benefit from firming commodity prices. However, this is largely seen as a short-term upswing. Over the longer term, slowing potential growth—a measure of how fast an economy can expand when labor and capital are fully employed—puts at risk gains in improving living standards and reducing poverty around the world.

Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks gradually remove their post-crisis accommodation and as an upturn in investment levels off. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018, as activity in commodity exporters continues to recover. The slowdown in potential growth is the result of years of softening productivity growth, weak investment, and the aging of the global labor force. The deceleration is widespread, affecting economies that account for more than 65 percent of global GDP. Without efforts to revitalize potential growth, the decline may extend into

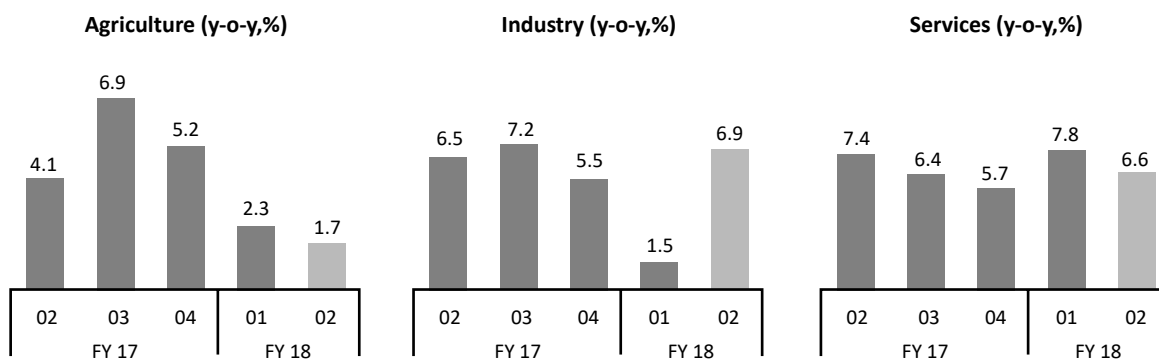
the next decade, and could slow average global growth by a quarter percentage point and average growth in emerging market and developing economies by half a percentage point over that period.

Indian economy have a growth on Domestic Product (GDP) is on a recovery path after slowdown in the first quarter of 2017-18, and real GDP growth for the second quarter (2QFY18) increased to 6.3% from 5.7% in the previous quarter, a likely fallout of the introduction of GST. The second half of 2017-18 will witness a higher growth rate, and this is further expected to consolidate in the coming New Year, as the benefits of GST and other reforms gain traction.

If we talk about sectoral growth of Indian economy, so the agricultural sector registered moderate growth as erratic monsoon in several parts and flooding in some states impacted performance.

On the other hand, Industrial growth accelerated sharply during the second quarter of FY 2018 and jumped to 6.9% from 1.5% in the previous quarter, on account of a sharp increase in manufacturing and electricity, gas, water supply and utility services. Manufacturing registered an impressive growth at 7% in 2QFY18 as compared to 1.2% posted in the first quarter.

Services sector grew only marginally at 6.6% in the second quarter as compared to 7.8% in the previous quarter.



The impact of GST on prices is likely to become clearer in the coming year as the teething problems related to its implementation ease out. Further, the GST Council's decision to cut tax rates on 177 items is also expected to partially ease the inflationary pressure, as the companies start passing the benefits of lower prices to consumers.

The Reserve Bank of India (RBI) kept policy rates unchanged in its fifth bi-monthly monetary policy meeting on 6th December, 2017. However, industry is

hopeful that going forward, RBI would lower interest rates to boost broad-based investment and consumption activity which in turn would promote economic growth.

### INDUSTRY OVERVIEW:

A more balanced market and continuation on the pathway to eliminating overcapacity should support profitability in the global steel sector. Infrastructure investment, improving European demand and sustained economic growth in the rest of the world are the main drivers. Cyclical recovery continues to underpin



growth, yet world steel demand growth will slow, to +1.6% y/y from +2.8% in 2017, due to slowing growth in China (environmental restrictions, policy induced restructuring of the economy).

Excluding China, the World Steel Association forecasts demand growth of +3% y/y for 2018. Europe is the strongest region in terms of demand growth with +5.2% y/y. Global steel output increased by +5.3% in 2017, principally on the back of strong growth in China. Even though, average capacity utilisation has improved in 2017, it still stands below 70%. Overcapacity, exacerbated by slowing Chinese demand, remains the principle challenge of the sector. Iron ore may slip back into oversupply as transitory demand switch between grades reverses.

Other metals have seen prices increase on the back of strong demand, notably copper, nickel, lithium and cobalt, the latter ones particularly prospects for batteries and electronics. Restraint on supply expansion is likely to lead to a continuation of demand growth exceeding incremental supply. Strong balance sheets and cash flows could drive M&A in the sector. However, we note risk in relation to the correlation with other sectors, notably construction in China, chiefly for copper.

The Indian steel sector enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities. This provides major cost advantage to the domestic steel industry. The Indian steel industry is largely iron-based through the blast furnace (BF) or the direct reduced iron (DRI) route. Indian steel industry is highly consolidated. About 60% of the crude steel capacity is resident with integrated steel producers (ISP).

The steel sector contributes near 2% to the GDP of the nation and provides 20 lakh jobs in the country. In FY17-18, India's crude steel output grew 5.87% year-on-year to 101.227 million tonnes (MT) in C.Y. 2017. Crude steel production reached on 93.183 (MT) during April-February 2017-18.

India's finished steel exports rose 102.1% to 8.24 (MT), while imports fell by 36.6% to 7.42 (MT) in 2016-17. Exports and imports of iron and steel stood at 14.6 (MT) and 13.1 (MT) during April to February 2017-18, respectively.

Total consumption of finished steel stood at 81.943 (MT) during April-February 2017-18.

Steel prices are now increasingly aligning to global export prices as markets strike a balance between imports and domestic demand. China's waning demand and resultant rise in exports poses a risk to leveraging improving domestic demand in South Asia and Europe. Further, movement of currencies against the US dollar

would also have a significant impact on the movement of global steel and raw material prices.

#### **OPPORTUNITIES AND THREATS:**

The Company has ample scope for commencing & executing its second phase expansion with its own resources & funds from markets. The availability of surplus alumina with your Company has put it altogether in a different platform and offers attractive opportunities for participating in the JVs of overseas smelters. The continuation of second generation liberalisation process and the ongoing globalisation trend is likely to bring ample opportunities for the company in playing a key role in metal trading, hedging, tolling, technology collaboration and in redefining new areas for application of its value added rolled products and chemical business.

The threat perceptions for the company include possible worsening of geopolitical scenario across the globe, political instability, great volatility in international prices, terrorism, slowdown of demand in China, reversal in global economic scenario and levy of antidumping duties on its raw material import.

#### **RISK AND CONCERNS:**

The prime risk lies in possible international disturbances and sudden appearance of unhealthy trends in the global scenario arising out of political uncertainty in global context. Apart from this, probability of imposition of antidumping duties on its imported raw material and its cost fluctuations add to the existing concern. However, The Company enjoys a natural hedge against these concerns as it has technological edge coupled with professional approach. The cost of iron ore and coal constitute more than 80% of cost of production. Therefore, the profitability of the Company depends on market price of these raw materials. The sure way to substantially reduce the cost of iron ore and coal is to have ownership of these raw materials. The company does not have any iron ore or coal mine and sources all of it from market. The road transportation cost, both for iron ore and coal, is steadily going up over the time. Global warming and climate change have been recognized by the company as serious concerns. Increase in competition, increase in interest rates, inflation, fluctuating markets etc. are area of concern for the Companies.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has well established internal control system commensurate with the size of the Company. 'Purchase Manual' and 'Contract Manual' have been updated. The Company has entrusted the jobs of internal audit to outside professional accounting firms. The internal audit reports are discussed thoroughly by an independent Audit Committee constituted by the

Board. The vigilance department of your Company has taken several preventive steps in controlling corruption in the Company. Company has always adhered to the highest standards of compliance and governance and has put in place controls and an appropriate structure to ensure this. The Audit Committee of the Board also reviews the performance of the audit and compliance functions and reviews the effectiveness of controls and compliance with regulatory guidelines.

**OUTLOOK FOR THE FUTURE:**

Your Company expects that the current up-healthy trend in the economy shall continue in the coming days and

Indian industry as a whole is expected to perform well. With consistent track record in capacity utilisation, quality management, it has gained customers confidence. It is anticipated that LME prices for metals will remain steady in the coming years.

Your Company's future strategic growth plans include further expansion of their capacities. Its strategic plans are also directed towards meaningful utilisation of resources and full capacity utilisation of existing units with proactive financial management and with thrust

on human resource development. The Company has major plans to enter the market in a big way in the coming year to market its value-added products like rolled products, specialty alumina in the domestic and international markets.

**CAUTIONERY STATEMENT:**

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

Place: Gorakhpur  
Date: August 11, 2018

On behalf of the Board  
**C. P. Agrawal**  
Chairman

## ANNEXURE - VI TO THE DIRECTORS' REPORT

### Nomination and Remuneration Policy

#### BACKGROUND

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

#### BRIEF OVERVIEW UNDER COMPANIES ACT 2013

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

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

### BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT

#### IV. Nomination and Remuneration Committee

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

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

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

#### TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

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

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

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

Qualifications for appointment of Directors (including Independent Directors):

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

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

Positive attributes of Directors (including Independent Directors):

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

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

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

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

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

laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered:-
  - \_ Responsibilities and duties;
  - \_ Time & efforts devoted;
  - \_ Value addition;
  - \_ Profitability of the Company & growth of its business;
  - \_ Analyzing each and every position and skills for fixing the remuneration yardstick ;
  - \_ Standards for certain functions where there is a scarcity of qualified resources.

\_ Ensuring tax efficient remuneration structures.

\_ Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.

\_ Other criteria as may be applicable.

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

#### **REVIEW**

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

# ANNEXURE - VII TO THE DIRECTORS' REPORT

## CORPORATE SOCIAL RESPONSIBILITY POLICY [PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013]

### 1. CONCEPT & CONTEXT

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

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

### CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

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

### OBJECTIVES OF THE POLICY

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

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage

of Company's profits for social projects.

- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

### DEFINITIONS

"Act" means the Companies Act, 2013;

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

"Ministry" means the Ministry of Corporate Affairs;

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

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

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

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

### LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

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

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

#### AREA OF ACTIVITY

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

#### FUNDING AND QUANTUM OF AMOUNT FOR CSR

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

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

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

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

The CSR Committee of the Board of Directors of the Company shall approve to the Board of Directors the projects and activities to be undertaken by the Company out of the activities stated hereinabove as per Schedule VII of the Companies Act, 2013.

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

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

Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company. The CSR Committee and persons / entities authorised by it will conduct the due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

#### THE PROCEDURES

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilised CSR allocation of a particular year will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of subsection (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

2. Annexure III contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.
3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

#### PLANNING AND IMPLEMENTATION

- For the purpose of focusing its efforts in a continued and effective, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.
- A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/ sectors chosen and implementation schedules for the same.
- Identification of projects and the executing agency/ NGO will be made, inter alia, by assessing the following:
  1. Project Objectives
  2. Baseline Survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
  3. Implementation Schedules – Timelines for milestones of the project will need to be prescribed and agreed upon.
  4. Responsibilities and authorities.
  5. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
- If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
  - a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided to it;
  - b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
- The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner(s)'.
- Such spends may be included as part of its prescribed CSR spend only if such organizations

have an established track record of at least three years in carrying on activities in related areas.

- Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.
- CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and / or through CSR Partner(s).
- While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
  - i. The CSR Partner(s) has a permanent office/ address in India;
  - ii. The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programmes or projects in pursuance with the relevant regulations;
  - iii. Possesses a valid income-tax Exemption Certificate
  - iv. The antecedents of the CSR Partner are verifiable
  - v. Have requisite framework to report progress/ status of the projects on a quarterly basis on agreed parameters.
  - vi. Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with GML as agreed mutually.

#### REVIEW AND REPORTING

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

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

#### AMENDMENTS TO THE POLICY

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



## ANNEXURE - VIII TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website [www.gallantt.com](http://www.gallantt.com)
1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website [www.gallantt.com](http://www.gallantt.com)
2. Composition of the CSR Committee : Mr. Jyotirindra Nath Dey, Chairman, Mr. Chandra Prakash Agrawal and Mr. Dinesh Raghbir Prasad Agarwal.
3. Average net profit of the Company for the last three financial years: ₹ 3,639.67 Lacs.
4. Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 72.79 Lacs.
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : ₹ 75.30 Lacs
  - b) Amount unspent, if any,: NIL
  - c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	The company is promoting Education Services for economically weaker sections through GALLANTT FOUNDATION TRUST)	Promoting Education etc.	Programme is undertaken in the local area of U.P. through Trust.	An amount of ₹ 40.00 Lacs has been paid for the educational programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 40.00 Lacs	213.86 Lacs*	Amount has been contributed to the following implementing agency: GALLANTT FOUNDATION (TRUST) for the Financial Year 2017-18. <b>Address of Trust :</b> Bargadwa, Vikas Nagar, Gorakhpur, Uttar Pradesh - 273001. India.
2.	Construction of public amenities i.e construction of toilet	Promoting health care including preventive health care and sanitation. Toilets are constructed for public use.	Local and neighborhood areas of Kutch District of State of Gujarat wherein factory of the Company located.	An amount of ₹ 26.67 Lacs has been paid for the programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 26.67 Lacs	240.53 Lacs*	Direct
3.	Donating of Air Cooler to Border Security Force (BSF)	Promoting health care for project / activity of National Interest	BSF of Kutch District of Gujarat	An amount of ₹ 1.63 Lacs has been paid for the programme and the CSR Committee of the Company has monitored the actual expenditure.	₹ 1.63 Lacs	242.16 Lacs*	Direct
4.	RCC Road in Panchayat - Gharana Village of Gujarat	Rural Development	Local and neighborhood areas of Kutch District of State of Gujarat wherein factory of the Company located.	An amount of ₹ 3.00 Lacs has been paid for the programme and the CSR Committee of the Company has monitored the actual expenditure.	₹ 3.00 Lacs	245.16 Lacs*	Direct

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
5.	The company is promoting education for economically weaker sections through FRIENDS OF TRIBALS SOCIETY	Promoting Education	Programme is undertaken in the backward area of state of West Bengal through local NGO.	An amount of ₹ 4 Lacs has been paid for the programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 4.00 Lacs	249.16	Amount has been contributed to the following implementing agency: FRIENDS OF TRIBALS SOCIETY (NGO) for the Financial Year 2017-18 Ekal Bjhawan, 123A, Harish Mukherjee Rd., Kolkata – 700 026, West Bengal, India.

- This cumulative expenditure of ₹ 249.16 Lakh includes contribution on CSR activities during last financial years 2014-15, 2015-16 & 2016-17.
6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount. : Company has contributed the amount for the project. The CSR Committee is monitoring the entire process.
  7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For **CSR Committee, GALLANTT METAL LIMITED**  
**Jyotirindra Nath Dey**

Chairman of CSR Committee & Director  
(DIN: 00180925)

Place: Gorakhpur  
Date: 11.08.2018

## ANNEXURE - IX TO THE DIRECTORS' REPORT

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

To  
The Members  
GALLANTT METAL LIMITED  
1, Crooked Lane, Second Floor,  
Room Nos. 222 & 223,  
Kolkata - 700069

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gallantt Metal Limited [CIN: L27109WB-2005PLC101553] (hereinafter called the Company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2018, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (d) The Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulations, 2015 (to the extent applicable)

vi) Other Laws specifically applicable to the Company as under:

1. The Air (Prevention and Control of Pollution) Act, 1981
2. The Water (Prevention and Control of Pollution) Act, 1974
3. The Environment (Protection) Act, 1986
4. The Factories Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. The Minimum Wages Act, 1948
9. The Payment of Wages Act, 1936
10. The Payment of Bonus Act, 1965
11. The Legal Metrology Act, 2009
12. The Maternity Benefit Act, 1961 and
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (a) Mines and Minerals (Development Regulation) Act, 1957 and other Acts/Rules as applicable to Mining activities;
- (b) The Electricity Act, 2003 and rules issued thereunder;

Notice

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Consolidated Financial Report

- (c) National Tariff Policy;
- (d) Indian Boilers Act. 1923 and rules issued thereunder;
- (e) Explosives Act, 1884 and rules issued thereunder;
- (f) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- (g) Applicable Labour laws and rules issued thereunder;
- (h) Applicable Environment laws and rules issued thereunder;
- (i) Applicable direct & indirect tax laws and rules issued thereunder;
- (j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

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

We further report that:

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

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

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

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

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

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

We further report that during the audit period:

- i. Company has acquired One Wholly Owned Subsidiary viz. M/s. GL Steel and Power Limited.

**Anurag Fatehpuria**

Place: Gorakhpur

Company Secretary

Date : 11.08.2018

ACS 34471; CP No. 12855

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

#### Annexure A

To

The Members,

**GALLANTT METAL LIMITED**

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

- a. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Wherever required, we have obtained Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- e. The Compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management conducted the affairs of the Company.
- g. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2018 but before issue of the Report.

Place: Gorakhpur

Date : 11.08.2018

**Anurag Fatehpuria**

Company Secretary

ACS 34471; CP No. 12855

# ANNEXURE - X TO THE DIRECTORS' REPORT

FORM NO. AOC.1

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

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

## Part "A": Subsidiaries

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of shareholding
1	GL STEEL AND POWER LIMITED	NA	NA	5.88	(3.15)	193.89	193.89	Nil	Nil	Nil	Nil	Nil	Nil	100%

## Part "B": Associates and Joint Ventures

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

<b>Name of Associate</b>	<b>Gallantt Ispat Limited</b>
<b>1. Latest audited Balance Sheet Date</b>	31.03.2018
<b>2. Shares of Associate held by the company on 31.03.2017</b>	GALLANTT ISPAT LIMITED
No.	72,51,992
Amount of Investment in Associate	4,260.20 LAKHS
Extend of Holding %	25.68%
<b>3. Description of how there is significant influence</b>	By way of Ownership
<b>4. Reason why the associate/joint venture is not consolidated</b>	Consolidated
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	12,102.29 Lakhs
<b>6. Profit / Loss for the year</b>	
i. Considered in Consolidation	1,340.67 Lakhs
ii. Not Considered in Consolidation	Nil

As per our Report of even date

For **ALPS & Company**

Chartered Accountants

FRN. 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 052751

Place : Gorakhpur

Dated : The 11th day of August, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholtime Director*

*Chief Financial Officer*

*Company Secretary*

# ANNEXURE - XI TO THE DIRECTORS' REPORT

## FORM NO. MGT-9

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

### I. REGISTRATION AND OTHER DETAILS:

CIN	L27109WB2005PLC101553
Registration Date	07/02/2015
Name of the Company	GALLANTT METAL LIMITED
Category /Sub-Category of the Company	Public Company limited by Shares/Indian Non-Government Company
Address	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700069. Telefax: 033-40642189
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Registrars & Share Transfer Agents Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700 001 Ph.: 033-22357270/7271/3070/2234 Fax: 033-22156823

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the company
1	Steel	2410	84.68
2	Power	3510	14.85*

\*Out of the Total Revenue from Operations and other Operating Income for the Financial Year 2017-18 ₹ 99,858.47 Lacs, Captive Power Plant contributes ₹ 14,824.20 Lacs (Approx. 14.85%).

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

Sl. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1.	Gallantt Ispat Limited	L27109WB2005PLC101650	Associate	25.68	Section 2(6) of the Companies Act, 2013
2.	GL Steel and Power Limited	U27100GJ2007PLC052427	Subsidiary	100	Section 2(7)

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) GALLANTT METAL LTD.

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian									
a) Individual / HUF	5463265	0	5463265	6.718	4514132	0	4514132	5.551	-1.167
b) Centran Government									
c) State Government									
d) Bodies Corporate	45333580	0	45333580	55.746	46802095	0	46802095	57.551	1.805
e) Banks / Financial Institutions									
f) Any Other									
<b>Sub-total (A)(1)</b>	<b>50796845</b>	<b>0</b>	<b>50796845</b>	<b>62.464</b>	<b>51316227</b>	<b>0</b>	<b>51316227</b>	<b>63.102</b>	<b>0.638</b>
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / Financial Institutions	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>50796845</b>	<b>0</b>	<b>50796845</b>	<b>62.464</b>	<b>51316227</b>	<b>0</b>	<b>51316227</b>	<b>63.102</b>	<b>0.638</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / Financial Institutions	--	--	--	--	--	--	--	--	--
c) Central Governments	--	--	--	--	--	--	--	--	--
d) State Governments	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) Foreign Institutional Investors (FII)	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (Specify)	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	20960522	0	20960522	25.775	21824554	0	21824554	26.837	1.062
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	3861900	531	3862431	4.750	3763235	531	3763766	4.628	-0.122
ii) Individual shareholders holding nominal share capital in excess of Rs 1 l	3865231	0	3865231	4.753	4071565	0	4071565	5.007	0.254

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others Specify									
1. NRI	138960	0	138960	0.171	117698	0	117698	0.145	-0.026
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members	1693335	0	1693335	2.082	223514	0	223514	0.275	-1.807
5. Trusts	5000	0	5000	0.006	5000	0	5000	0.006	0.000
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	30524948	531	30525479	37.536	30005566	531	30006097	36.898	-0.638
Total Public Shareholding (B) = (B)(1)+(B)(2)	30524948	531	30525479	37.536	30005566	531	30006097	36.898	-0.638
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>81321793</b>	<b>531</b>	<b>81322324</b>	<b>100.000</b>	<b>81321793</b>	<b>531</b>	<b>81322324</b>	<b>100.000</b>	<b>0.000</b>

## ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/en-cumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/en-cumbered to total shares	
1	ANUPAM AGARWAL	20400	0.025	0.000	20400	0.025	0.000	0.000
2	ASHUTOSH AGARWAL	178591	0.220	0.000	178591	0.220	0.000	0.000
3	BRIJ MOHAN JOSHI	2500	0.003	0.000	2500	0.003	0.000	0.000
4	CHANDRA PRAKASH AGARWAL	300000	0.369	100.000	300000	0.369	100.000	0.000
5	DINESH KUMAR AGARWAL	210000	0.258	100.000	210000	0.258	100.000	0.000
6	GALLANTT ISPAT LIMITED	39462895	48.527	0.000	39462895	48.527	0.000	0.000
7	HIPOLINE COMMERCE PRIVATE LIMITED	5870685	7.219	0.000	7339200	9.025	0.000	1.806
8	KARUNA JINDAL	5000	0.006	0.000	5000	0.006	0.000	0.000
9	KUSUM DEVI JALAN	19661	0.024	0.000	19661	0.024	0.000	0.000
10	NARAIN PRASAD AJITSARIA	2500	0.003	0.000	2500	0.003	0.000	0.000
11	NARESH CHANDRA AGARWAL	10000	0.012	0.000	10000	0.012	0.000	0.000
12	NIDHI JALAN	24500	0.030	0.000	24500	0.030	0.000	0.000
13	NITIN KANDOI	10500	0.013	4.762	10500	0.013	4.762	0.000
14	OM PRAKASH JALAN	48279	0.059	0.000	48279	0.059	0.000	0.000
15	PREM PRAKASH AGRAWAL HUF	32500	0.040	0.000	32500	0.040	0.000	0.000
16	PRIYA AGARWAL	100000	0.123	0.000	100000	0.123	0.000	0.000
17	PRIYANKA DAS	4910	0.006	0.000	4898	0.006	0.000	0.000
18	SANTOSH KUMAR AGARWAL	4031424	4.957	0.000	3105247	3.818	0.000	-1.139
19	SANTOSH KUMAR AGRAWAL HUF	110000	0.135	0.000	110000	0.135	0.000	0.000
20	SHARDA DEVI JALAN	2500	0.003	0.000	2500	0.003	0.000	0.000
21	SHRUTI KANDOI	40000	0.049	0.000	17056	0.021	0.000	-0.028
22	SHYAMA AGRAWAL	190000	0.234	0.000	190000	0.234	0.000	0.000
23	SMRITI AGARWAL	10000	0.012	0.000	10000	0.012	0.000	0.000
24	SUBODH KUMAR JALAN	10000	0.012	0.000	10000	0.012	0.000	0.000
25	SUMESH KUMAR AGARWAL	100000	0.123	0.000	100000	0.123	0.000	0.000
	<b>TOTAL</b>	<b>50796845</b>	<b>62.464</b>	<b>1.005</b>	<b>51316227</b>	<b>63.102</b>	<b>0.995</b>	<b>0.638</b>



## iii. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>ANUPAM AGARWAL</b>				
	a) At the Beginning of the Year	20400	0.025		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			20400	0.025
2	<b>ASHUTOSH AGARWAL</b>				
	a) At the Beginning of the Year	178591	0.220		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			178591	0.220
3	<b>BRIJ MOHAN JOSHI</b>				
	a) At the Beginning of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
4	<b>CHANDRA PRAKASH AGARWAL</b>				
	a) At the Beginning of the Year	300000	0.369		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			300000	0.369
5	<b>DINESH KUMAR AGARWAL</b>				
	a) At the Beginning of the Year	210000	0.258		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			210000	0.258
6	<b>GALLANTT ISPAT LIMITED</b>				
	a) At the Beginning of the Year	39462895	48.527		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			39462895	48.527
7	<b>HIPOLINE COMMERCE PRIVATE LIMITED</b>				
	a) At the Beginning of the Year	5870685	7.219		
	b) Changes during the year				
	Date Reason				
	14/04/2017 Transfer	1000000	1.230	6870685	8.449
	12/05/2017 Transfer	300000	0.369	7170685	8.818
	23/02/2018 Transfer	42252	0.052	7212937	8.870
	02/03/2018 Transfer	22651	0.028	7235588	8.897
	09/03/2018 Transfer	4433	0.005	7240021	8.903
	16/03/2018 Transfer	21196	0.026	7261217	8.929
	23/03/2018 Transfer	49498	0.061	7310715	8.990
31/03/2018 Transfer	28485	0.035	7339200	9.025	
	c) At the End of the Year			7339200	9.025
8	<b>KARUNA JINDAL</b>				
	a) At the Beginning of the Year	5000	0.006		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5000	0.006

SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	<b>KUSUM DEVI JALAN</b>				
	a) At the Beginning of the Year	19661	0.024		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			19661	0.024
10	<b>NARAIN PRASAD AJITSARIA</b>				
	a) At the Beginning of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
11	<b>NARESH CHANDRA AGARWAL</b>				
	a) At the Beginning of the Year	10000	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10000	0.012
12	<b>NIDHI JALAN</b>				
	a) At the Beginning of the Year	24500	0.030		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			24500	0.030
13	<b>NITIN KANDOI</b>				
	a) At the Beginning of the Year	10500	0.013		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10500	0.013
14	<b>OM PRAKASH JALAN</b>				
	a) At the Beginning of the Year	48279	0.059		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			48279	0.059
15	<b>PREM PRAKASH AGRAWAL HUF</b>				
	a) At the Beginning of the Year	32500	0.040		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			32500	0.040
16	<b>PRIYA AGARWAL</b>				
	a) At the Beginning of the Year	100000	0.123		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100000	0.123
17	<b>PRIYANKA DAS</b>				
	a) At the Beginning of the Year	4910	0.006		
	b) Changes during the year				
	Date Reason				
	28/04/2017 Transfer	-12	0.000	4898	0.006
	c) At the End of the Year			4898	0.006
18	<b>SANTOSH KUMAR AGARWAL</b>				
	a) At the Beginning of the Year	4031424	4.957		
	b) Changes during the year				
	Date Reason				
	30/06/2017 Transfer	-480376	0.591	3551048	4.367
	07/07/2017 Transfer	-445801	0.548	3105247	3.818
c) At the End of the Year			3105247	3.818	

SI No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>19</b>	<b>SANTOSH KUMAR AGRAWAL HUF</b>				
	a) At the Beginning of the Year	110000	0.135		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			110000	0.135
<b>20</b>	<b>SHARDA DEVI JALAN</b>				
	a) At the Beginning of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
<b>21</b>	<b>SHRUTI KANDOI</b>				
	a) At the Beginning of the Year	40000	0.049		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-17199	0.021	22801	0.028
	14/04/2017 Transfer	-5801	0.007	17000	0.021
	02/02/2018 Transfer	56	0.000	17056	0.021
	c) At the End of the Year			17056	0.021
<b>22</b>	<b>SHYAMA AGRAWAL</b>				
	a) At the Beginning of the Year	190000	0.234		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			190000	0.234
<b>23</b>	<b>SMRITI AGARWAL</b>				
	a) At the Beginning of the Year	10000	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10000	0.012
<b>24</b>	<b>SUBODH KUMAR JALAN</b>				
	a) At the Beginning of the Year	10000	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10000	0.012
<b>25</b>	<b>SUMESH KUMAR AGARWAL</b>				
	a) At the Beginning of the Year	100000	0.123		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100000	0.123
	<b>T O T A L</b>	<b>50796845</b>	<b>62.464</b>	<b>51316227</b>	<b>63.102</b>

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ANAND RATHI SHARE & STOCK BROKERS LIMITED				
	a) At the Beginning of the Year	1000135	1.230		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-984237	1.210	15898	0.020
	14/04/2017 Transfer	-15283	0.019	615	0.001
	28/04/2017 Transfer	8583	0.011	9198	0.011
	05/05/2017 Transfer	-7183	0.009	2015	0.002
	12/05/2017 Transfer	-1263	0.002	752	0.001
	19/05/2017 Transfer	-476	0.001	276	0.000
	26/05/2017 Transfer	3458	0.004	3734	0.005
	02/06/2017 Transfer	-3458	0.004	276	0.000
	09/06/2017 Transfer	219	0.000	495	0.001
	16/06/2017 Transfer	-316	0.000	179	0.000
	23/06/2017 Transfer	1326	0.002	1505	0.002
	30/06/2017 Transfer	429035	0.528	430540	0.529
	07/07/2017 Transfer	-430516	0.529	24	0.000
	14/07/2017 Transfer	200	0.000	224	0.000
	21/07/2017 Transfer	300	0.000	524	0.001
	28/07/2017 Transfer	477	0.001	1001	0.001
	04/08/2017 Transfer	-601	0.001	400	0.000
	11/08/2017 Transfer	-400	0.000	0	0.000
	05/01/2018 Transfer	17860	0.022	17860	0.022
	12/01/2018 Transfer	-12065	0.015	5795	0.007
	19/01/2018 Transfer	-4273	0.005	1522	0.002
	26/01/2018 Transfer	-17	0.000	1505	0.002
	02/02/2018 Transfer	363	0.000	1868	0.002
	09/02/2018 Transfer	555	0.001	2423	0.003
	16/02/2018 Transfer	2226	0.003	4649	0.006
	23/02/2018 Transfer	-3203	0.004	1446	0.002
	09/03/2018 Transfer	-232	0.000	1214	0.001
	16/03/2018 Transfer	-1	0.000	1213	0.001
	23/03/2018 Transfer	-250	0.000	963	0.001
	31/03/2018 Transfer	200	0.000	1163	0.001
	c) At the End of the Year			1163	0.001
2	ANGEL FINCAP PRIVATE LIMITED				
	a) At the Beginning of the Year	412273	0.507		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-9777	0.012	402496	0.495
	14/04/2017 Transfer	182	0.000	402678	0.495
	21/04/2017 Transfer	1000	0.001	403678	0.496
	28/04/2017 Transfer	2480	0.003	406158	0.499

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	26/05/2017 Transfer	-704	0.001	405454	0.499
	02/06/2017 Transfer	-334	0.000	405120	0.498
	09/06/2017 Transfer	-237427	0.292	167693	0.206
	16/06/2017 Transfer	-5032	0.006	162661	0.200
	23/06/2017 Transfer	-1	0.000	162660	0.200
	30/06/2017 Transfer	-77	0.000	162583	0.200
	07/07/2017 Transfer	3500	0.004	166083	0.204
	14/07/2017 Transfer	295	0.000	166378	0.205
	21/07/2017 Transfer	-195	0.000	166183	0.204
	28/07/2017 Transfer	-200	0.000	165983	0.204
	04/08/2017 Transfer	-100	0.000	165883	0.204
	11/08/2017 Transfer	-952	0.001	164931	0.203
	08/09/2017 Transfer	25	0.000	164956	0.203
	05/01/2018 Transfer	-4237	0.005	160719	0.198
	12/01/2018 Transfer	-160000	0.197	719	0.001
	02/02/2018 Transfer	102	0.000	821	0.001
	c) At the End of the Year			821	0.001
3	ASHU AGRAWAL				
	a) At the Beginning of the Year	87778	0.108		
	b) Changes during the year				
	Date Reason				
	09/06/2017 Transfer	159257	0.196	247035	0.304
	16/03/2018 Transfer	-2622	0.003	244413	0.301
	c) At the End of the Year			244413	0.301
4	JAI LAKSHMI SOLVENTS PRIVATE LIMITED				
	a) At the Beginning of the Year	598795	0.736		
	<b>b) Changes during the year</b>		<b>[NO CHANGES DURING THE YEAR]</b>		
	c) At the End of the Year			598795	0.736
5	KHETAN TRACON PRIVATE LIMITED				
	a) At the Beginning of the Year	259637	0.319		
	b) Changes during the year				
	Date Reason				
	28/04/2017 Transfer	-85885	0.106	173752	0.214
	05/05/2017 Transfer	-173752	0.214	0	0.000
	02/06/2017 Transfer	15000	0.018	15000	0.018
	12/01/2018 Transfer	-5000	0.006	10000	0.012
	c) At the End of the Year			10000	0.012
6	LEXI EXPORTS PVT LTD				
	a) At the Beginning of the Year	11977179	14.728		
	<b>b) Changes during the year</b>		<b>[NO CHANGES DURING THE YEAR]</b>		
	c) At the End of the Year			11977179	14.728

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	LIGHTHOUSE MERCHANTS PRIVATE LIMITED				
	a) At the Beginning of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	02/06/2017 Transfer	16500	0.020	16500	0.020
	16/06/2017 Transfer	94337	0.116	110837	0.136
	23/06/2017 Transfer	38958	0.048	149795	0.184
	30/06/2017 Transfer	78331	0.096	228126	0.281
	07/07/2017 Transfer	893564	1.099	1121690	1.379
	21/07/2017 Transfer	6242	0.008	1127932	1.387
	28/07/2017 Transfer	19165	0.024	1147097	1.411
	04/08/2017 Transfer	67774	0.083	1214871	1.494
	11/08/2017 Transfer	10193	0.013	1225064	1.506
	c) At the End of the Year			1225064	1.506
8	MAGENTA COMMERCE PRIVATE LTD				
	a) At the Beginning of the Year	479117	0.589		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			479117	0.589
9	MUKESH KUMAR AGARWAL				
	a) At the Beginning of the Year	370086	0.455		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			370086	0.455
10	NAJMUDDIN GULAMHUSEIN KHERAJ				
	a) At the Beginning of the Year	400000	0.492		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			400000	0.492
11	RICHIE CREDIT AND FINANCE PRIVATE LIMITE				
	a) At the Beginning of the Year	4607635	5.666		
	b) Changes during the year				
	Date Reason				
	28/04/2017 Transfer	402389	0.495	5010024	6.161
	05/05/2017 Transfer	8965	0.011	5018989	6.172
	12/05/2017 Transfer	634	0.001	5019623	6.173
	19/05/2017 Transfer	571	0.001	5020194	6.173
	c) At the End of the Year			5020194	6.173
12	SANJAY AGRAWAL				
	a) At the Beginning of the Year	246690	0.303		
	b) Changes during the year				
	Date Reason				
	07/04/2017 Transfer	-6771	0.008	239919	0.295
	28/07/2017 Transfer	-21066	0.026	218853	0.269
	22/12/2017 Transfer	13167	0.016	232020	0.285
	05/01/2018 Transfer	-44644	0.055	187376	0.230
	12/01/2018 Transfer	160000	0.197	347376	0.427
	02/02/2018 Transfer	10000	0.012	357376	0.439

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	16/03/2018 Transfer	-10000	0.012	347376	0.427
	23/03/2018 Transfer	15848	0.019	363224	0.447
	c) At the End of the Year			363224	0.447
13	WALLSTREET DISTRIBUTOR PRIVATE LIMITED				
	a) At the Beginning of the Year	1985569	2.442		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			1985569	2.442
	<b>TOTAL</b>	<b>22424894</b>	<b>27.575</b>	<b>22675625</b>	<b>27.884</b>

#### Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	CHANDRA PRAKASH AGARWAL				
	a) At the Beginning of the Year	300000	0.369		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			300000	0.369
2	DINESH KUMAR AGARWAL				
	a) At the Beginning of the Year	210000	0.258		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			210000	0.258
3	NITIN KANDOI				
	a) At the Beginning of the Year	10500	0.013		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			10500	0.013
4	SANDIP KUMAR AGRAWAL				
	a) At the Beginning of the Year	9396	0.012		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			9396	0.012
	<b>TOTAL</b>	<b>529896</b>	<b>0.652</b>	<b>529896</b>	<b>0.652</b>

## V. INDEBTEDNESS

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

Amount in lacs

Particulars		Secured Loan excluding Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year					
1	Principal Amount	7,418.12	–	–	7,418.12
2	Interest due but not paid	–	–	–	–
3	Interest accrued but not due	–	–	–	–
<b>Total (1+2+3)</b>		<b>7,418.12</b>	<b>–</b>	<b>–</b>	<b>7,418.12</b>
Change in Indebtedness during the Financial Year					
• Addition		–	–	–	–
• Reduction		1,948.52	–	–	1,948.52
Net Change		1,948.52	–	–	1,948.52
Indebtedness at the end of the financial year					
1	Principal Amount	5,469.60	–	–	5,469.60
2	Interest due but not paid	–	–	–	–
3	Interest accrued but not due	–	–	–	–
<b>Total (1+2+3)</b>		<b>5,469.60</b>	<b>–</b>	<b>–</b>	<b>5,469.60</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (₹ In Lacs)
		Chandra Prakash Agrawal	Dinesh Raghubir Prasad Agrawal	Prashant Jalan	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.40	20.40	6.73	47.53
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	<b>Commission</b>	NIL	NIL	NIL	NIL
3	<b>Others - Remuneration benefits</b>	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>20.40</b>	<b>20.40</b>	<b>6.73</b>	<b>47.53</b>

Note: For conservation of Resources, Directors have agreed to forego the perquisites and other benefits.

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

S.N.	Particulars of Remuneration	Name of Directors						Total Amount (₹ In Lacs)
		Nitin M Kandoi	Jyotirindra Nath Dey	Prasant Kankrania	Sandip Kumar	Mayank Daga	Richa Bhartiya	
1	Fees for attending Board/Committee Meetings	0.12	0.64	0.56	0.04	0.08	0.56	2.00
2	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Others	NIL	NIL	NIL	NIL	NIL	NIL	NIL

### C. Remuneration to Key Managerial Personnel

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (₹ In Lacs)
		Sandip Kumar Agarwal, CFO	Rajesh Upadhyaya, CS	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	12.00	12.73	32.81
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL
2	<b>Others –Remuneration benefits</b>	NIL	NIL	NIL

## VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YAER

No penalty/Punishment/Compounding Fees imposed on the Company.



# REPORT ON CORPORATE GOVERNANCE

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at Gallantt Metal is evolved by not only ensuring compliance with regulatory requirements but also by being responsive and responsible to the needs of stakeholders with rewarding environment. Your Company believes that best Corporate Governance practices are critical to enhance and retain investor trust.

We, at Gallantt Metal, believe that good and effective Corporate Governance is critical to achieve corporate vision and mission of the organization; it is more of an organizational culture than a mere adherence to rules and regulations. Law alone cannot bring changes and transformation, and voluntary compliance both in form and in substance plays an important role in developing good Corporate Governance.

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:

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

- Executive Directors - 3
- Non Executive Director - 1
- Non Executive Independent Directors - 4

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

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. Also, relative of Mr. Dinesh Raghubir Prasad Agarwal is employed in the Company.

## 2. BOARD OF DIRECTORS

### 2.1 Composition

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

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

### 2.2 Appointment of Directors

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

### 2.3 Meetings and Attendance

During the financial year 2017-18, Eight Board Meetings were held. These were held on 04.05.2017, 30.05.2017, 06.08.2017, 14.09.2017, 14.12.2017, 15.01.2018, 28.02.2018 and 31.03.2018.

**2.4 Changes during the Year:**

During the period under report Mr. Sandip Kumar (DIN: 08088624) has been appointed as an Additional Director on the Board of the Company to be regarded as an Independent Director.

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

Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming AGM.

Mr. Sandip Kumar (DIN: 08088624) has been appointed as an Additional Director on the Board of the Company to be regarded as an Independent Director for a period of five years effective from March 31, 2018 not liable to retire by rotation. His appointment shall be approved by the shareholders in the forthcoming Annual General Meeting of the Company.

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

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

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

**2.6 Other Directorships and Committee Memberships:**

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

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

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 8 meetings held during the year*	No. of other directorships in public companies as on 31/03/2018	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Metal) As on 31/03/2018	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	No	8	1	Nil	Nil
Mr. Dinesh Raghubir Prasad Agarwal, Whole-time Director (DIN: 01017125)	Executive/ Promoter	No	6	1	Nil	Nil
Mr. Prashant Jalan Whole-time Director (DIN: 06619739)	Executive / Non-Promoter	No	5	Nil	Nil	Nil
Mr. Nitin Mahavir Prasad Kandoi Director (DIN:01979952)	Non-Executive/ Promoter	No	6	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	8	2	1	3
Mr. Prasant Kankrania Director (DIN: 05241947)	Non-Executive/ Independent	Yes	8	Nil	Nil	Nil
Mrs. Richa Bhartiya Director (DIN: 06905283)	Non-Executive/ Independent	No	8	Nil	Nil	Nil
Mr. Sandip Kumar Director (DIN: 08088624)	Non-Executive/ Independent	No	1	Nil	Nil	Nil
Mr. Mayank Daga * Director (DIN: 07581076)	Non-Executive/ Independent	No	4	Nil	Nil	Nil

\* Resigned w.e.f. 09.10.2017

**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.
- None of the Directors have any inter se relationship.

**2.8 Separate Meeting of Independent Directors:**

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

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

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

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

**2.9 Shareholding of Directors**

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

Sr. No.	Name of Directors	No. of Shares held
1.	Mr. Chandra Prakash Agrawal	3,00,000
2.	Mr. Dinesh Raghbirprasad 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. Richa Bhartiya	NIL
7.	Mr. Prasant Kankrania	NIL
8.	Mrs. Sandip Kumar	NIL

**2.10 Induction and Familiarization Program for Directors**

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

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

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

**2.11 Independent Directors**

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

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

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

### 2.12 Board Procedures

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

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

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

### 2.13 Information supplied to the Board

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

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Annual and Quarterly results for the Company
- D. Minutes of meetings of Audit Committee and other Committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

- F. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions, wherever necessary. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any.

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

### 2.14 Performance evaluation of Directors

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

#### Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.

- Offer constructive challenge to management strategies and proposals.

- Active engagement with the management and attentiveness to progress of decisions taken.

#### Objectivity

- Non-partisan appraisal of issues.

- Own recommendations given professionally without tending to majority or popular views.

#### Leadership & Initiative

- Heading Board Sub-committees.

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

#### Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.

- Attendance and active participation.

- Proactive, strategic and lateral thinking.

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

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

### 2.16 Other Provisions as to Board and Committees

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

## 3. AUDIT COMMITTEE

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

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

### 3.1 Composition

As on date, the Audit Committee comprises of three (3) Independent Directors. The members of the Audit Committee are Mr. Prasant Kankrania (Chairman),

Mrs. Richa Bhartiya and Mr. Jyotirindra Nath Dey, all of whom possess accounting and financial management expertise/ exposure. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Audit Committee.

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

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

### 3.2 Terms of reference

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

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

### Compliance and other related aspects

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

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

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

### 3.3 Meetings and Attendance

A total of Eight (8) Audit Committee Meetings were held in the financial year 2017-18. The meetings were held on 04.05.2017, 30.05.2017, 06.08.2017, 14.09.2017, 14.12.2017, 15.01.2018, 28.02.2018 and 31.03.2018.

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

Names	Designation	Category	Committee Meeting Attended
Mr. P. Kankrania	Chairman	Independent	8
Mr. J. N. Dey	Member	Independent	8
Mr. Richa Bhartiya	Member	Independent	8

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

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the Board has constituted Stakeholders' Relationship Committee ("SRC"). As per the Listing Regulations, the Committee shall specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders of the listed entity

including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

#### 4.1 Composition

During the year ended 31st March, 2018, the Stakeholders Relationship Committee comprised of Mr. Richa Bhartiya, an Independent Director, as the Chairman 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.

### 4.2 Meetings and Attendance

A total of Eight (8) Stakeholders Relationship Committee Meeting was held in the financial year 2017-18. The meetings were held on 30.05.2017, 16.08.2017, 31.08.2017, 14.09.2017, 04.10.2017, 14.12.2017, 15.01.2018 and 31.03.2018

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

Names	Designation	Category	Committee Meeting Attended
Mr. Richa Bhartiya	Chairman	Independent	8
Mr. P. Kankrania	Member	Independent	8
Mr. J. N. Dey	Member	Independent	8

### 4.3 Status of Complaints

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

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

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

## 5. NOMINATION AND REMUNERATION COMMITTEE

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

### 5.1 Role of Nomination and Remuneration Committee

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

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

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

### 5.2 Meetings and Attendance

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

A total of three Nomination and Remuneration Committee Meeting was held in the financial year 2017-18. The meetings were held on 30.05.2017, 14.12.2017 and 31.03.2018.

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

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	3
Mr. P. Kankrania	Member	Independent	3
Mr. Richa Bhartiya	Member	Independent	3

### 5.3 Nomination and Remuneration Policy of the

#### Company

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

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

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

### 5.4 Remuneration of Directors

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

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

Name	Designation	Aggregate Value of Salary & Perquisites (₹ In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	20.40
Mr. Dinesh Raghbirprasad Agarwal	Whole time Director	20.40
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.

### 5.5 Evaluation Criteria

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

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

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

### 6.1 Terms of reference

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

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

### 6.2 Meetings and Attendance

The Committee met four (4) times during the financial year ended 31st March, 2018 on 30.05.2017, 06.08.2017, 28.02.2018 and 31.03.2018. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2018 is detailed below:

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

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

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

## 7. SUBSIDIARY COMPANIES

During the year Company has acquired One Wholly Owned Subsidiaries 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 are managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary company, inter alia, by the following means:

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

The Company does not have any material non-listed Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com).

## 8. RISK MANAGEMENT

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

Your company has identified the following risks:



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

## 9. RELATED PARTY TRANSACTIONS

In terms of the Indian Accounting Standard “Related Party Disclosures”, as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the Company has

identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note to the Accounts forming part of this Annual Report.

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

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

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

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

## 10. DISCLOSURES

### 10.1 Related Party Transactions

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

### 10.2 Compliances by the Company

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

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

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

### 10.4 Prevention of Insider Trading Code

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

this code. The trading window for dealing in securities of the Company is closed as per the provisions of the code.

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

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

### 10.5 Disclosure of Accounting Treatment

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

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

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

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

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

Name of Director	Sitting Fees (₹)
Mr. Jyotirindra Nath Dey	64,000
Mr. Prasant Kankrania	56,000
Mrs. Richa Bhartiya	56,000
Mr. Sandip Kumar	4,000
Mr. Nitin Mahavir Prasad Kandoi	12,000
<b>TOTAL</b>	<b>2,00,000</b>

### 10.7 Management

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

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

### 10.8 CEO / CFO Certification

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

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

The Company complies with the following non-mandatory requirements:

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

### 10.10 Whistle Blower Policy

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

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

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

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

### 10.12 Shareholders

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

## 11. MANAGEMENT DISCUSSION AND ANALYSIS

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

## 12. GENERAL SHAREHOLDER INFORMATION

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

### 12.2 Means of Communication:

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

### 12.3 Date, Time and Venue of 14th

AGM Thursday, 27th September, 2018 at 3.30 P.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.

### 12.4 Financial Year

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

## 12.5 General Body Meetings

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

Year	Venue	Date	Time
2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2017	3.30 P.M.
2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	26.09.2015	3.30 P.M.
2015	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	28.09.2015	1:00 P.M.

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

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
13th Annual General Meeting	2016-17	26.09.2017 at 3.30 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed
12th Annual General Meeting	2015-16	26.09.2016 at 3.30 P.M.	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed
11th Annual General Meeting	2014-15	28.09.2015 at 1.00 P.M.	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	No Special Resolution passed

## 12.7 Extraordinary General Meeting

No Extra-ordinary General Meeting during the three Financial Years.

## 12.8 Postal Ballot

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

## 12.9 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

## 12.10 Financial Calendar – 2017-2018

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

## 12.11 Tentative Calendar for Financial Year ending March 31, 2019

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

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

**12.12 Dividend payment date:**

The Board of Directors at their Meeting held on May 21, 2018, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting @ 2.5% (Twenty Five Paise per Share) on equity shares of the Company for the Financial Year 2017-18. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 20, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 20, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2018.

**Dividend History for the last 10 financial years :**

No Dividend was paid in the last 10 financial years.

**12.13 Listing on Stock Exchanges :**

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

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

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

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

**12.14 Name of Depositories for dematerialisation of equity shares :**

Name of the Depository	
National Securities Depository Limited (NSDL)	INE297H01019
Central Depository Services (India) Limited (CDSL)	INE297H01019

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

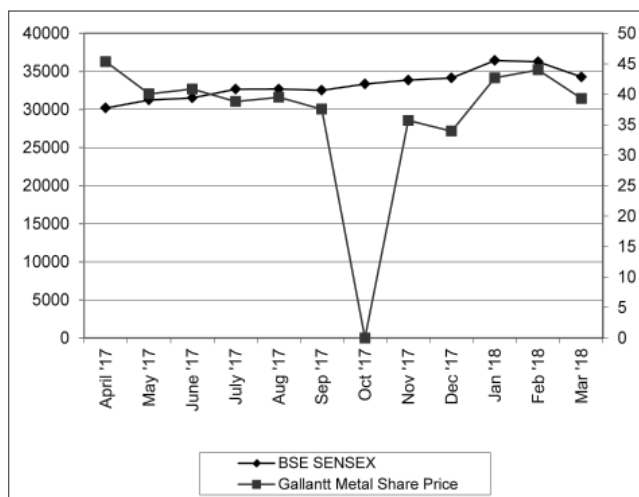
Stock Exchanges	
BSE Limited, Mumbai (BSE)	532726
National Stock Exchange of India Limited, Mumbai (NSE)	GALLANTT

**12.15 Market Price Data- High, Low During Each Month in Last Financial Year :**

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

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr-17	43.45	48.80	40.25	45.35	43.40	49.00	42.40	45.10
May-17	44.55	45.85	37.25	40.05	45.15	45.95	35.55	40.00
Jun-17	40.50	41.40	39.00	40.85	41.65	41.65	39.00	40.50
Jul-17	41.00	44.95	38.00	38.80	41.40	44.60	34.40	39.20
Aug-17	40.30	40.65	38.05	39.50	38.90	40.90	38.30	39.00
Sep-17	37.55	37.55	37.55	37.55	37.05	37.05	37.05	37.05
Oct-17	--	--	--	--	--	--	--	--
Nov-17	35.70	35.70	35.70	35.70	35.20	35.20	35.20	35.20
Dec-17	33.95	33.95	33.95	33.95	33.45	33.45	33.45	33.45
Jan-18	40.30	62.00	36.95	42.70	40.10	62.70	38.10	42.90
Feb-18	43.80	46.90	35.05	44.00	42.65	47.00	35.20	44.65
Mar-18	43.35	46.00	38.95	39.30	44.65	45.00	38.00	40.30

## 12.16 Performance in comparison with BSE Sensex – April, 2017 to March, 2018



## 12.17 Compliance Certificate :

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

## 12.18 Means of Communication :

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

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

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

## 12.19 Compliance Officer :

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

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

**12.20 Registered Office :** 1, Crooked Lane, Second Floor,  
Kolkata- 700 069.  
Telfax:- +91-33-40642189  
Website:gallantt.com  
E-mail: [csgml@gallantt.com](mailto:csgml@gallantt.com)

**12.21 Works Office :** Near Toll Gate, Village-Samakhyali, Taluka-Bachau, District-Kutch, Gujarata.  
Tele:+91-2837283689  
TeleFax: +91-2837283555/557

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

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

**12.23 Share Transfer System :**

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

**12.24 Dematerialisation of Shares and Liquidity :**

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 100.00% (approx.) of Equity Shares have been dematerialized as on 31st March, 2018.

**12.25 Distribution of Shareholding :**

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

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	6033	77.2768	10,63,289	1.3075
501-1,000	848	10.8620	7,32,780	0.9011
1,001-5,000	709	9.0816	16,27,836	2.0017
5,001-10,000	89	1.1400	6,89,704	0.8481
10,001-50,000	90	1.1528	19,51,889	2.4002
50,001-1,00,000	16	0.2049	10,44,469	1.2844
1,00,001 and Above	22	0.2818	7,42,12,357	91.2571
<b>TOTAL</b>	<b>7807</b>	<b>100.00</b>	<b>8,13,22,324</b>	<b>100.00</b>

**12.26 Categories of shareholding as on 31st March, 2018 :**

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
<b>PROMOTERS' HOLDING:</b>		
Promoters	5,13,16,227	63.10
<b>Total Promoters' Holding</b>	<b>5,13,16,227</b>	<b>63.10</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	2,18,24,554	26.84
Individuals	78,35,331	9.64
NRI/OCBs	1,17,698	0.15
Trust	5,000	0.00
Clearing Memb/Clearing Cor (Demat shares in transit)	2,23,514	0.27
<b>Total Public Shareholding</b>	<b>3,00,06,097</b>	<b>36.90</b>
<b>GRAND TOTAL</b>	<b>8,13,22,324</b>	<b>100.00</b>

**12.27 Green Initiative :**

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/11 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011, has allowed companies to send Annual Report comprising of Balance

Sheet, Statement of Profit & Loss, Directors' Report, Auditors' Report etc. through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

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

#### 12.28 Corporate Identity Number (CIN) :

L27109WB2005PLC101553

#### 12.29 Investor's Correspondence :

For investor matters:

Tarun Kumar Rathi

Company Secretary and Compliance Officer

Secretarial Department

Gallantt Metal Limited

1, Crooked Lane, Second Floor,

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

Telefax:- +91-33-40642189

E-mail: [csgml@gallantt.com](mailto:csgml@gallantt.com)

#### 12.30 Web Links in terms of Regulation 46 of SEBI Listing Regulations :

Policy for determining Material Subsidiaries:

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

Policy on Related Party Transactions:

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

Familiarization program for Independent Directors:

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

Other Code and Policies:

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

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

#### 12.31 General Disclosures

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

- (iii) there were no materially significant transactions during the Financial Year with related parties such as the Promoters, Directors, Key Managerial Personnel, Relatives or Subsidiaries that could have potential conflict of interest with the Company;
- (iv) the mandatory disclosure of transactions with related parties, in compliance with the Indian Accounting Standard (IndAS-24), forms part of this annual report;
- (v) none of the Non-Executive Directors hold any shares in the company;
- (vi) in preparing the Annual Accounts for the Financial Year ended 31st March 2018, no accounting treatment was different from that prescribed in the Indian Accounting Standards;
- (vii) there were no instance of non-compliance on any matter relating to the capital markets during the past three years;
- (viii) the Company has a Code of Conduct for Prevention of Insider Trading in the shares of the Company for Directors and other identified persons in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (ix) the Company has a Whistle blower Policy which can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com). It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee in terms of the policy. During the Financial Year, the MD did not receive complaint. Action to be recommended, if any by the whistle committee shall be implemented by the management.
- (x) the Company has a policy on Related Party Transactions. The policy can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com).
- (xi) the Company has a Policy on Distribution of Dividend to Shareholders. The Policy can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com).
- (xii) the Company has a policy on Determination and Disclosure of Material Events. The policy can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com).
- (xiii) the Company has a policy on Preservation and Archival of Documents. The policy can be accessed on the Company's website [www.gallantt.com](http://www.gallantt.com)
- (xiv) the familiarisation program for Independent Directors is provided as part of the Director's Appointment and Remuneration policy. The



policy and details of the familiarisation program is given on the Company's website [www.gallantt.com](http://www.gallantt.com).

- (xv) Independent Directors met on 31st March 2018 to review the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and quality, quantity and timeliness of information exchange between the Company Management and the Board.
- (xvi) The Company has put in place a Board Evaluation process. A note on this is provided in the Directors' Report.
- (xvii) The Company has put in place adequate Internal Control Systems and Procedures including adequate financial controls with reference to the financial statement.
- (xviii) The Company has put in place and framed a Risk Management Policy which identifies potential risks associated with the Company's business and

take steps to mitigate such risks. The Company is not required to constitute a Board Committee on Risk Management. The Risk Management Policy formulated by the Company is available on the Company's website [www.gallantt.com](http://www.gallantt.com).

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

The Company complies with the following non-mandatory requirements:

1. The Auditors have expressed no qualification in their report.
2. The Internal auditor periodically reports to the Audit Committee.

For and on Behalf of the Board

Place: Gorakhpur  
Date: August 11, 2018

**C. P. Agrawal**  
*Chairman*

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

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

For **ALPS & Company**  
*Chartered Accountants*  
Firm's Registration No.313132E

**(A. K. Khetawat)**  
*Partner*  
Membership No. 052751

Place: Gorakhpur  
Dated: August 11, 2018

### DECLARATION

To  
The Members of  
**Gallantt Metal Limited**

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

Place: Gorakhpur  
Dated: August 11, 2018

**C. P. Agrawal**  
Managing Director  
(DIN: 01814318)

## CEO/CFO CERTIFICATION

The Board of Director  
Gallantt Metal Limited  
1, Crooked Lane, Second Floor,  
Room Nos. 222 & 223, Kolkata - 700 069

### Re: Financial Statements for the Financial year 2017-18 – Certificate by CEO and CFO

We, Chandra Prakash Agrawal, MD and Mr. Sandip Kumar Agarwal, Chief Financial Officer of Gallantt Metal Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2018 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting. We have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified, or informed to the auditors and the Audit Committee.
5. During the year it was disclosed to the Auditors and the Audit Committee that:
  - (1) There were no significant changes in internal control over financial reporting;
  - (2) No significant changes in accounting policies were made during the year except for change in the accounting policy on revaluation of certain fixed assets; and
  - (3) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place : Gorakhpur  
Dated : August 11, 2018

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

**Chandra Prakash Agrawal**  
*Managing Director*

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

## Report on the Financial Statements

We have audited the accompanying Standalone financial statements of **GALLANTT METAL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including Other Comprehensive Income and the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Sec 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018 and its financial performance including comprehensive income, its cash flow and its change in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our

- audit have been received from branches not visited by us;
- (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- (d) in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards referred to in Section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i) The Company has disclosed the impact of pending litigations on its financial positions in its financial statements.
- ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended March 31, 2018.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ALPS & Company**  
Chartered Accountants  
Firm's Registration No.313132E  
**(A. K. Khetawat)**

Place: Gorakhpur  
Dated: May 21, 2018

*Partner*  
Membership Number: 052751

## ANNEXURE 'A' TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the Management at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The inventory has been physically verified at reasonable interval by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii) As per the information and explanation given to us, the company has not granted any loans, secured or unsecured to Companies, firms, LLPs or other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub-clause (a), (b) and (c) of clause (iii) of Paragraph 3 of the order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made, where ever applicable.
- v) The Company has not accepted any deposit from the public as stipulated under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under and the directives issued by the Reserve Bank of India.
- vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the Companies (Cost Records and audit) Rules, 2014 prescribed by the Central Government under

Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii) a) In our opinion and according to the information and explanations given to us, Company is generally been regular in depositing with appropriate authorities

undisputed statutory dues, as required under this clause and applicable to the Company during the year. There is no undisputed amount payable in respect of aforesaid statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2018.

b) According to the information and explanations given to us, the statutory dues that have not been deposited with the appropriate authorities on account of any dispute for the amount mentioned below:

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period	Forum where dispute is pending
Income Tax Act	Income Tax	21.61*	2008-09	CIT (Appeals)
Income Tax Act	Income Tax	48.07	2011-12	CIT (Appeals)
Value Added Tax	VAT	38.04*	2007-08	Jt. Commissioner of Appeal
Central Excise Act	Excise Duty	49.22	2009-10 2010-11	CESTAT, Ahmedabad
Custom Act	Custom Duty	264.94	2011-12 2012-13	CESTAT, Ahmedabad
Central Excise Act	Excise Duty	170.12	2010-11	CESTAT, Ahmedabad

\*net of amount paid under protest

viii) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and

188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ALPS & Company**  
Chartered Accountants  
Firm's Registration No.313132E

**(A. K. Khetawat)**  
Partner

Place: Gorakhpur  
Dated: May 21, 2018

Membership Number: 052751

## ANNEXURE 'B' TO THE AUDITOR'S REPORT

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

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

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

#### Opinion

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

For **ALPS & Company**  
Chartered Accountants  
Firm's Registration No.313132E

**(A. K. Khetawat)**

Partner

Place: Gorakhpur  
Dated: May 21, 2018

Membership Number: 052751

# Audited Balance Sheet as at 31st March, 2018

(₹ in lacs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>(I) ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	03	21,881.97	23,030.98	20,548.11
(b) Capital work in progress		2,860.21	1,268.04	1,558.27
		<b>24,742.18</b>	<b>24,299.02</b>	<b>22,106.38</b>
(c) Financial assets				
(i) Investments	04	4,266.08	4,260.20	4,260.20
(ii) Other financial assets	05	76.68	70.53	64.38
(d) Other non-current assets	06	1,350.84	245.32	479.30
(e) Deferred tax assets (Net)	07	1,431.73	1,956.38	1,644.00
(f) Advance Income tax assets (net)		15.89	55.34	69.35
		<b>31,883.40</b>	<b>30,886.79</b>	<b>28,623.61</b>
<b>(2) Current Assets</b>				
(a) Inventories	08	10,978.77	9,861.24	7,991.40
(b) Financial assets				
(i) Trade receivables	09	5,051.87	3,402.82	3,035.37
(ii) Cash and cash equivalent	10(i)	453.72	245.20	441.10
(iii) Other balances with bank	10(ii)	32.68	44.13	20.00
(iv) Loans	11	7,014.26	853.36	403.31
(v) Other financial assets	11A	8.80	7.42	77.53
(c) Other current assets	12	572.60	1,513.48	1,156.13
		<b>24,112.70</b>	<b>15,927.65</b>	<b>13,124.84</b>
<b>TOTAL ASSETS</b>		<b>55,996.10</b>	<b>46,814.44</b>	<b>41,748.45</b>
<b>(II) EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	13	8,132.23	8,132.23	8,132.23
(b) Other equity	14	33,092.03	28,162.06	25,453.93
		<b>41,224.26</b>	<b>36,294.29</b>	<b>33,586.16</b>
<b>(2) Non-current liabilities</b>				
(a) Provisions	15	28.32	25.56	45.91
		<b>28.32</b>	<b>25.56</b>	<b>45.91</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	5,469.60	7,418.12	6,212.50
(ii) Derivative liabilities	17	-	-	17.53
(iii) Trade payables	18	7,891.09	2,203.23	1,134.15
(iv) Other financial liabilities	19	297.05	225.90	217.40
(b) Provisions	20	44.13	-	-
(c) Other current liabilities	21	1,041.65	647.34	534.80
		<b>14,743.52</b>	<b>10,494.59</b>	<b>8,116.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,996.10</b>	<b>46,814.44</b>	<b>41,748.45</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*



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

(₹ in lacs)

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1) Revenue from operations	22	84,558.04	69,319.96
(2) Other income	23	476.23	124.72
<b>(3) Total Revenue (1) + (2)</b>		<b>85,034.27</b>	<b>69,444.68</b>
<b>(4) EXPENSES</b>			
(a) Cost of materials consumed	24	59,979.66	47,091.43
(b) Purchase of stock in trade		1,106.23	368.88
(c) Changes in inventories of finished products and work in progress	25	814.04	(431.49)
(d) Employee benefits expense	26	2,518.27	2,023.49
(e) Finance costs	27	656.16	628.27
(f) Depreciation expense	28	1,496.96	1,685.09
(g) Excise duty	29	2,150.49	7,693.21
(h) Other expenses	30	9,378.93	7,408.00
<b>Total Expenses (4)</b>		<b>78,100.74</b>	<b>66,466.88</b>
<b>(5) Profit before tax (3) - (4)</b>		<b>6,933.53</b>	<b>2,977.80</b>
<b>(6) Tax Expense</b>			
(a) Current tax			
(i) Current tax for current period		2,095.18	-
(ii) Current tax for the previous years		1.82	2.28
(b) Deferred tax			
(i) Deferred tax for current period		(96.76)	311.35
<b>Total tax expense (6)</b>		<b>2,000.24</b>	<b>313.63</b>
<b>(7) Profit for the period (5) - (6)</b>		<b>4,933.29</b>	<b>2,664.17</b>
<b>(8) Other comprehensive income</b>			
(a) Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		(5.08)	67.22
(ii) Less :Income tax relating to items that will not be reclassified to profit or loss		(1.76)	23.26
<b>Total other comprehensive income (8)</b>		<b>(3.32)</b>	<b>43.96</b>
<b>(9) Total comprehensive income for the period (7) + (8)</b>		<b>4,929.97</b>	<b>2,708.13</b>
<b>(10) Earnings per equity share: (Face value of share of ₹ 10 each)</b>	<b>33</b>		
(a) Basic		<b>6.07</b>	<b>3.28</b>
(b) Diluted		<b>6.07</b>	<b>3.28</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholtime Director*

*Chief Financial Officer*

*Company Secretary*

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## Statement in Equity Changes for the year ended 31st March, 2018

(₹ in lacs)

### A. Equity Share Capital

Particulars	Amount
Balance as at 1, April 2016	8,132.23
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at 31, March 2017	8,132.23
Changes in equity share capital during the year ended March 31, 2018	-
<b>Balance as at 31, March 2018</b>	<b>8,132.23</b>

### B. Other Equity

Statement of changes in Equity	Reserves and surplus			Total Equity
	Security Premium	Retained Earnings	Other Comprehensive Income	
Balance at April 1, 2016	1,050.00	24,399.72	4.21	25,453.93
Profit for the year	-	2,664.17		2,664.17
Other Comprehensive Income	-		43.96	43.96
Balance at March 31, 2017	1,050.00	27,063.89	48.17	28,162.06
Profit for the period	-	4,933.29		4,933.29
Other Comprehensive Income	-		(3.32)	(3.32)
<b>Balance at March 31, 2018</b>	<b>1,050.00</b>	<b>31,997.18</b>	<b>44.85</b>	<b>33,092.03</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

*Chartered Accountants*

**Firm Registration No : 313132E**

**(A. K. Khetawat)**

*Partner*

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*

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

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit for the period</b>	6,933.53	2,977.80
<i>Adjustments for:</i>		
Income tax expenses recognised in the statement of profit and loss		
Depreciation expense	1,496.96	1,685.09
Interest income	(438.80)	(73.86)
Interest expenses	469.39	489.15
Remeasurement Gain / (Loss) on defined benefit plan	(5.08)	67.22
Net (Gain)/Loss on derivative instruments	-	(13.50)
(Profit)/loss on sale of property, plant & equipments	1.37	(7.15)
Liabilities/provision no longer required written back	(1.17)	(1.93)
<b>Operating profit before working capital changes</b>	<b>8,456.21</b>	<b>5,122.82</b>
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	(1,117.53)	(1,869.84)
Trade receivables	(1,649.05)	(367.45)
Non-current financial Assets	(6.15)	(6.15)
Other non-current assets	(517.74)	-
Current financial assets	4.21	61.07
Other current assets	940.88	(357.35)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	5,687.86	1,069.08
Current financial liabilities	71.15	13.27
Other current liabilities	394.31	112.54
Provisions	48.06	(18.42)
<b>Cash generated from operations</b>	<b>12,312.20</b>	<b>3,759.57</b>
Direct taxes paid	(1,434.38)	(635.26)
<b>Net cash generated from operating activities</b>	<b>10,877.82</b>	<b>3,124.31</b>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of property, plant and equipment	(2,539.97)	(3,653.20)
Sale of property, plant & equipment	10.70	11.83
Investment in Shares	(5.88)	-
Movement in loans and advances	(6,160.90)	(450.05)
Movement in fixed deposit held as margin	11.45	(24.13)
Interest received	433.21	78.87
<b>Net cash (used in) investing activities</b>	<b>(8,251.39)</b>	<b>(4,036.68)</b>

**GALANT**

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

(₹ in lacs)

<b>C. Cash Flow from Financing activities:</b>		
Proceeds from /(Payments against) bills discounted (net)	(2,166.27)	655.81
Proceeds from /(Repayment against) working capital borrowings (net)	(839.00)	1,574.18
Proceeds from buyer's credit	1,056.75	(1,024.37)
Interest paid	(469.39)	(489.15)
<b>Net cash (used in) financing activities</b>	<b>(2,417.91)</b>	<b>716.47</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>208.52</b>	<b>(195.90)</b>
<b>Cash and cash equivalents as at 1st April</b>	<b>245.20</b>	<b>441.10</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>453.72</b>	<b>245.20</b>

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 10(i))
2. Figures in brackets represent outflows.

As per terms of our report attached

For **ALPS & Co.**

*Chartered Accountants*

**Firm Registration No : 313132E**

**(A. K. Khetawat)**

*Partner*

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*

# Notes on Financial Statements for the year ended 31st March, 2018

## Note - 01 General information

### 1.01 Corporate information

Gallant Metal Limited (“the Company”) is a public limited company domiciled in India incorporated under the provisions of the Companies Act. The registered office of the company is located in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in manufacturing of Steel and Steel products with power plant and having its manufacturing unit at Village Samakhali, Dist Kutch in the State of Gujarat.

### 1.02 Basis of preparation of financial statement

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

These financial statements for the year ended March 31, 2018 are the first the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as ‘Previous GAAP’) used for its statutory reporting requirement in India immediately before adopting Ind AS. The financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 01, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company’s Equity, Total Comprehensive Income is provided in note 41.

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

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

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

### 1.03 Basis of measurement

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

### 1.04 Functional and presentation currency

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

### 1.05 Key estimates and assumptions

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

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

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

## Notes on Financial Statements for the year ended 31st March, 2018

- Useful lives of Property, plant and equipment (Refer Note 2.01)
- Assets and obligations relating to employee benefits (Refer Note 2.15)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 2.16)
- Provisions and Contingencies (Refer Note 2.11)

### 1.06 Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

## Note -02 Significant Accounting Policies

### 2.01 Property, Plant and Equipment (PPE)

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

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

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

Estimated useful lives of the assets are as follows:

Buildings	:	<b>3 to 60 years</b>
Plant and equipment	:	<b>10 to 25 years</b>
Furniture and Fixtures	:	<b>10 years</b>
Office Equipments	:	<b>5 to 10 years</b>
Computers	:	<b>3 years</b>
Motor Vehicles	:	<b>8 to 10 years</b>
Rolls	:	<b>1year</b>

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.02 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.03 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of

the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

## 2.04 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

## 2.05 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

## 2.06 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Notes on Financial Statements for the year ended 31st March, 2018

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 2.07 Financial Assets

#### i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

#### ii) Subsequent Measurement

Financial assets are subsequently / classified and measured at:

amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

#### iii) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### iv) Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business

model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(c) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

#### v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

#### vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows



## Notes on Financial Statements for the year ended 31st March, 2018

from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### vii) Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## 2.08 Financial Liabilities

### i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.09 Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.10 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 2.11 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## Notes on Financial Statements for the year ended 31st March, 2018

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

### 2.12 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. The Company has assumed the recovery of excise duty flows to the Company on its own account, for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Accordingly revenue includes excise duty for the year ended March 31, 2017 and for the period from April 1, 2017 to June 30, 2017. From July 1, 2017 the revenue excludes Goods and Service Tax (GST) collected from customers.

#### i) Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

#### ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

#### iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on ground of prudence.

### 2.13 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

### 2.14 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2.15 Employee Benefits

#### i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

## Notes on Financial Statements for the year ended 31st March, 2018

### ii) Post Employment Benefit

#### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### (b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

### 2.16 Taxes on Income

#### i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary

differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

#### iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Notes on Financial Statements** for the year ended 31st March, 2018

(₹ in lacs)

03. Property, plant and equipment	Freehold Land	Freehold Building	Roads	Plant and Machinery	Electrical installation and Equipments	Lab Equipments	" Furniture and fixtures "	Office Equipments	Motor Vehicles	Computers	Rolls	Total
<b>Cost or deemed cost</b>												
Balance at April 1, 2016	750.91	4,199.78	552.17	14,344.92	378.65	34.40	28.82	30.88	118.31	4.13	105.14	20,548.11
Additions	52.40	380.13	5.40	3,506.91	12.25	-	0.58	6.74	27.24	0.71	180.28	4,172.64
Disposals	-	-	-	-	-	-	(1.06)	-	(4.91)	(0.19)	(105.14)	(111.30)
Balance at March 31, 2017	803.31	4,579.91	557.57	17,851.83	390.90	34.40	28.34	37.62	140.64	4.65	180.28	24,609.45
Additions	-	-	-	57.53	8.00	9.10	-	7.21	105.43	1.43	171.32	360.02
Disposals	-	-	-	-	-	-	-	-	(13.56)	-	(180.28)	(193.84)
<b>Balance at March 31, 2018</b>	<b>803.31</b>	<b>4,579.91</b>	<b>557.57</b>	<b>17,909.36</b>	<b>398.90</b>	<b>43.50</b>	<b>28.34</b>	<b>44.83</b>	<b>232.51</b>	<b>6.08</b>	<b>171.32</b>	<b>24,775.63</b>
<b>Accumulated depreciation</b>												
Balance at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	154.50	62.19	1,007.55	215.51	10.06	7.10	9.56	27.77	2.55	188.29	1,685.08
Disposals	-	-	-	-	-	-	-	-	(1.48)	-	(105.14)	(106.62)
Balance at March 31, 2017	-	154.50	62.19	1,007.55	215.51	10.06	7.10	9.56	26.29	2.55	83.15	1,578.46
Depreciation expense	-	162.98	62.67	1,012.14	16.07	5.42	5.68	11.02	28.83	2.27	189.89	1,496.97
Disposals	-	-	-	-	-	-	-	-	(4.13)	-	(177.64)	(181.77)
<b>Balance at March 31, 2018</b>	<b>-</b>	<b>317.48</b>	<b>124.86</b>	<b>2,019.69</b>	<b>231.58</b>	<b>15.48</b>	<b>12.78</b>	<b>20.58</b>	<b>50.99</b>	<b>4.82</b>	<b>95.40</b>	<b>2,893.66</b>
<b>Carrying amount</b>												
Balance at April 1, 2016	750.91	4,199.78	552.17	14,344.92	378.65	34.40	28.82	30.88	118.31	4.13	105.14	20,548.11
Balance at March 31, 2017	803.31	4,425.41	495.38	16,844.28	175.39	24.34	21.24	28.06	114.35	2.10	97.13	23,030.99
<b>Balance at March 31, 2018</b>	<b>803.31</b>	<b>4,262.43</b>	<b>432.71</b>	<b>15,889.67</b>	<b>167.32</b>	<b>28.02</b>	<b>15.56</b>	<b>24.25</b>	<b>181.52</b>	<b>1.26</b>	<b>75.92</b>	<b>21,881.97</b>

Note:

- The company has availed the deemed cost exemption in relation to the Property Plant and Equipment on the date of transition as at 1 April 2016 and hence the net block carrying amount has been considered as the gross block carrying amount on transition date i.e. 1 April, 2016. The carrying value as at 1 April 2016 amounting to ₹ 20,548.11 lakhs represents gross cost of ₹ 34,048.58 lakhs net of accumulated depreciation of ₹ 13,500.47 lakhs as at 1 April, 2016.
- All property plant and equipment are given as collateral security to the bank for working capital loans by way of hypothecation on movable fixed assets including plant and machinery both present and future and equitable mortgage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.
- Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

# Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

04. Investments in Subsidiaries and Associates							
	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016		
	Qty Nos.	Amount ₹ lakhs	Qty Nos.	Amount ₹ lakhs	Qty Nos.	Amount ₹ lakhs	
Investments in Equity Instruments (Fully paid up unless stated otherwise)							
Quoted Investments							
Associates							
Gallantt Ispat Limited at face value of ₹ 10 each.	72,51,992	4,260.20	72,51,992	4,260.20	72,51,992	4,260.20	
<b>Total aggregate quoted investments</b>	<b>72,51,992</b>	<b>4,260.20</b>	<b>72,51,992</b>	<b>4,260.20</b>	<b>72,51,992</b>	<b>4,260.20</b>	
Unquoted Investments							
Subsidiary							
GL Steel & Power Ltd. at face value of ₹ 10 each.	58,800	5.88					
<b>Total aggregate unquoted investments</b>	<b>58,800</b>	<b>5.88</b>					
<b>Total Investments carrying value</b>	<b>-</b>	<b>4,266.08</b>					
<b>Aggregate book value of quoted investments</b>		<b>4,260.20</b>		<b>4,260.20</b>		<b>4,260.20</b>	
<b>Aggregate market value of quoted investments</b>		<b>19,584.00</b>		<b>30,782.89</b>		<b>36,457.58</b>	
05. Other non-current financial assets (Unsecured, Considered good)							
	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016		
Security deposits		76.68		70.53		64.38	
<b>Total non-current financial assets</b>		<b>76.68</b>		<b>70.53</b>		<b>64.38</b>	
06. Other non-current assets							
Capital advances		587.78		-		233.98	
Balance with Statutory / Government Authorities		763.06		245.32		245.32	
<b>Total other non-current assets</b>		<b>1,350.84</b>		<b>245.32</b>		<b>479.30</b>	
07. Deferred tax balances							
The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:							
Deferred tax assets		4,302.03		4,873.94		4,261.25	
Deferred tax liabilities		(2,870.30)		(2,917.56)		(2,617.25)	
<b>Net deferred tax asset/(liability) For year ended 31.03.2018</b>		<b>1,431.73</b>		<b>1,956.38</b>		<b>1,644.00</b>	
<b>Deferred tax (liabilities)/assets in relation to:</b>							
<b>Deferred Tax Liability</b>							
Written down value of Assets		2,870.30		2,917.56		2,617.25	
		<b>2,870.30</b>		<b>2,917.56</b>		<b>2,617.25</b>	
<b>Deferred Tax Assets</b>							
Mat Credit entitlement		4,242.59		4,865.75		4,218.78	
Provision for retirement benefit		25.08		8.19		15.89	
Other Provision		34.36		0.00		26.58	
		<b>4,302.03</b>		<b>4,873.94</b>		<b>4,261.25</b>	

GALLANTT

Notice

Board & Management Report

Standalone Financial Report

Consolidated Financial Report

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

<b>08. Inventories</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Raw materials	7,933.03	6,248.42	5,240.93
Including in transit ₹ 5,541.77 lakhs (31.03.2017 ₹ 1,833.24 lakhs and 31.03.2016 ₹ 2,015.19 lakhs)			
Work-in-progress	33.48	30.21	16.21
Finished products	1,156.42	1,973.74	1,556.25
Stores and spare parts	1,855.84	1,608.87	1,178.01
<b>Total inventories</b>	<b>10,978.77</b>	<b>9,861.24</b>	<b>7,991.40</b>

1. Inventories are pledged on pari passu first charge against short term loans from bank (refer note 16)
2. The mode of valuation of Inventories has been stated in note 02 point -05

<b>09. Trade receivables (Current) Unsecured, considered good</b>			
<b>Total trade receivables</b>	5,051.87	3,402.82	3,035.37
	<b>5,051.87</b>	<b>3,402.82</b>	<b>3,035.37</b>

1. Trade receivables are pledged on pari passu first charge against short term loans from bank (refer note 16).
2. Trade receivables includes ₹ 5.92 lakhs from related party (P.Y. Nil) (refer note 35).

<b>10. Cash and bank balances</b>			
<b>Cash and cash equivalents</b>			
Cash on hand	6.65	16.70	33.83
Balances with banks			
In current accounts	5.07	-	-
In deposits accounts*	442.00	228.50	407.27
<b>Total cash and cash equivalents 10(i)</b>	<b>453.72</b>	<b>245.20</b>	<b>441.10</b>
<b>Other bank balances</b>			
In deposits accounts**	32.68	44.13	20.00
<b>Total other bank balances 10 (ii)</b>	<b>32.68</b>	<b>44.13</b>	<b>20.00</b>
<b>Total cash and bank balances</b>	<b>486.40</b>	<b>289.33</b>	<b>461.10</b>
Included above			
Bank deposits for margin against letters of credit and Bank Guarantee	474.68	272.63	427.27
* This represent deposits with original maturity of less than or equal to three months.			
** This represent deposits with original maturity of more than three months but within twelve months.			

<b>11. Current Financial Assets - Loans (Unsecured, considered good)</b>			
Loan to related parties (refer note 35)	92.74	-	-
Loans to other Body Corporates	6,921.52	853.36	403.31
	<b>7,014.26</b>	<b>853.36</b>	<b>403.31</b>
<b>Details of loans under section 186(4) of the Companies Act, 2013</b>			
Shalimar Corp Limited	4,421.52	853.36	403.31
Nihon Impex Private Limited	2,500.00	-	-
GL Steel and Power Limited (wholly owned subsidiary)	92.74	-	-

# Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

11A. Other financial assets			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Interest accrued on fixed deposits	5.59	-	5.01
Dividend receivable	-	-	72.52
Others	3.21	7.42	-
<b>Total other financial assets</b>	<b>8.80</b>	<b>7.42</b>	<b>77.53</b>

12. Other current assets			
Advance with public bodies			
Balance with Statutory and Government authorities	381.19	827.05	934.04
Advance to suppliers	97.24	540.98	93.90
Other advances and prepayments			
Prepayments	36.10	92.99	76.11
Others	58.07	52.46	52.08
<b>Total other current assets</b>	<b>572.60</b>	<b>1,513.48</b>	<b>1,156.13</b>

13. Share capital			
<b>Authorised:</b>			
8,30,00,000 (P.Y 8,30,00,000) Equity Shares of ₹ 10 each	8,300.00	8,300.00	8,300.00
<b>Issued, Subscribed and fully paid up:</b>			
8,13,22,324 (P.Y. 8,13,22,324) Equity Shares of ₹ 10 each	8,132.23	8,132.23	8,132.23
	<b>8,132.23</b>	<b>8,132.23</b>	<b>8,132.23</b>

## Reconciliation of Number of Shares and amount outstanding at the beginning and end of the reporting period

	For the period ended 31.03.2018		For the period ended 31.03.2017		For the period ended 31.03.2016	
	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs
<b>Equity shares</b>						
<b>Issued, subscribed and fully paid up:</b>						
At beginning and end of the year	8,13,22,324	8,132.23	8,13,22,324	8,132.23	8,13,22,324	8,132.23
Issued during the year	-	-	-	-	-	-
At end of the year	<b>8,13,22,324</b>	<b>8,132.23</b>	<b>8,13,22,324</b>	<b>8,132.23</b>	<b>8,13,22,324</b>	<b>8,132.23</b>

## Rights, preferences and restrictions attached to shares

### Equity Shares

- The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.
- The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- The Company for the period of five years immediately preceding the date of Balance Sheet has not:
  - Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
  - Allotted fully paid up shares by way of bonus shares.
  - Bought back any class of shares.

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

### Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholders	For the period ended 31.03.2018		For the period ended 31.03.2017		For the period ended 31.03.2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Ispat Limited	3,94,62,895	48.53	3,94,62,895	48.53	1,37,49,768	16.91
Gallantt Udyog Limited	-	-	-	-	2,41,13,127	29.65
Lexi Exports Pvt. Limited	1,19,77,179	14.73	1,19,77,179	14.73	1,19,77,179	14.73
Santosh Kumar Agarwal	-	-	-	-	42,31,424	5.20
Richie Credit and Finance Pvt. Ltd.	46,07,635	5.67	46,07,635	5.67	-	-
Hipoline Commecre Pvt. Ltd.	73,65,284	9.06	58,70,685	7.22	-	-
Utkarsh Dealers Pvt. Ltd.	-	-	-	-	43,76,763	5.38

14. Other Equity			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Securities premium	1,050.00	1,050.00	1,050.00
Retained Earnings	31,997.18	27,063.89	24,399.72
Other Comprehensive Income	44.85	48.17	4.21
<b>Total other equity</b>	<b>33,092.03</b>	<b>28,162.06</b>	<b>25,453.93</b>
<b>Securities Premium</b>			
Opening and closing balance	1,050.00	1,050.00	1,050.00
<b>Retained Earnings</b>			
Opening balance	27,063.89	24,399.72	24,399.72
Profit for the period	4,933.29	2,664.17	-
Closing balance	<b>31,997.18</b>	<b>27,063.89</b>	<b>24,399.72</b>
<b>Other Comprehensive Income</b>			
Opening Balance	48.17	4.21	-
Other Comprehensive Income for the year	(5.08)	67.22	6.44
Less : Tax impact on above	(1.76)	23.26	2.23
Closing Balance	<b>44.85</b>	<b>48.17</b>	<b>4.21</b>
	<b>33,092.03</b>	<b>28,162.06</b>	<b>25,453.93</b>

#### Nature and purpose of reserve

**Securities Premium Account** : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

**Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

15. Non-current Provisions			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for employee benefits			
Retirement gratuity	28.32	25.56	45.91
<b>Total provisions</b>	<b>28.32</b>	<b>25.56</b>	<b>45.91</b>



# Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

16. Current Financial Liabilities - Borrowings			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Secured - at amortised cost</b>			
<b>Repayable on demand</b>			
From banks			
Cash credit	3,912.21	4,751.21	3,177.03
Other loans			
Buyer's credit	1,056.75	-	1,024.37
e-VFS from State Bank of India	500.64	2,666.91	2,011.10
<b>Total secured borrowings</b>	<b>5,469.60</b>	<b>7,418.12</b>	<b>6,212.50</b>
<b>Total borrowings</b>	<b>5,469.60</b>	<b>7,418.12</b>	<b>6,212.50</b>

- The above working capital loan from bank is secured by first charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts- present and future.
- The above working capital loan from bank is secured by collateral security by way of hypothecation on fixed assets including plant & machinery - both present and future and equitable mortgage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.
- The above working capital loan from bank is secured by collateral security by pledge of 5,10,500 (31.03.2017: 5,10,500, 31.03.2016: 5,10,500) equity share of the company held by promoters.
- The above working capital loans is guaranteed by the corporate guarantee of M/s Hipoline Commerce Pvt. Ltd.
- The above working capital loan is guaranteed by the personal guarantee of Sri C. P. Agrawal, Sri Dinesh R Agarwal and Sri Nitin Mahavir Prasad Kandoi, Directors of the company.
- The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

17. Current Financial Liabilities - Derivative			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Foreign currency forward contracts	-	-	17.53
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>17.53</b>

18. Current Financial Liabilities - Trade Payables			
Total outstanding dues to micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,891.09	2,203.23	1,134.15
<b>Total Trade Payables</b>	<b>7,891.09</b>	<b>2,203.23</b>	<b>1,134.15</b>

### Note:

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

19. Current Financial Liabilities - Others			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Creditors for accrued wages and salaries	297.05	225.90	212.63
Creditors for purchase of fixed assets	-	-	4.77
<b>Total other current financial liabilities</b>	<b>297.05</b>	<b>225.90</b>	<b>217.40</b>

20. Current Provisions			
Provision for employee benefits			
Post retirement gratuity	44.13	-	-
	<b>44.13</b>	<b>-</b>	<b>-</b>

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

<b>21. Other current liabilities</b>			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance received from customers	1.31	16.85	132.27
Employee recoveries and employer's contributions	10.12	10.18	2.73
Statutory dues	1,025.96	616.04	395.53
Other credit balances	4.27	4.27	4.27
<b>Total other current liabilities</b>	<b>1,041.66</b>	<b>647.34</b>	<b>534.80</b>

<b>22. Revenue from operations</b>		
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Sale of Products</b>		
Sale of manufactured goods	82,284.46	67,972.03
Sale of traded goods	1,264.32	373.11
Other Operating Revenue	1,009.26	974.82
<b>Revenue from Operations (Net)</b>	<b>84,558.04</b>	<b>69,319.96</b>

<b>23. Other income</b>		
Interest income from financial assets measured at amortised cost		
From fixed deposits	20.86	25.47
From loans to subsidiaries	0.27	-
From Others	417.67	48.39
Dividend income		
From associate	36.26	-
Gain on foreign currency transactions (net)	-	39.78
Gain on sale of fixed assets (net)	-	8.97
Other non operating income	1.17	1.93
Miscellaneous income	-	0.18
<b>Total other income</b>	<b>476.23</b>	<b>124.72</b>

<b>24. Cost of materials consumed</b>		
<b>Raw materials &amp; components consumed</b>		
Opening stock	6,248.42	5,240.93
Add: Purchases	61,664.27	48,098.92
	<b>67,912.69</b>	<b>53,339.85</b>
Less: Closing stock	7,933.03	6,248.42
<b>Total raw materials consumed</b>	<b>59,979.66</b>	<b>47,091.43</b>

Notes:

- i) Manufactured goods consumed for own use ₹ 133.33 lakhs (P.Y. ₹ 46.27 lakhs) deducted from raw material consumed at cost price.

# Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

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<b>25. Changes in inventories of finished products and work in progress</b>		
	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Inventories at the beginning of the year/period</b>		
Finished products	1,973.74	1,556.25
Work-in-progress	30.21	16.21
	<b>2,003.95</b>	<b>1,572.46</b>
<b>Less : Inventories at the end of the year/period</b>		
Finished products	1,156.43	1,973.74
Work-in-progress	33.48	30.21
	<b>1,189.91</b>	<b>2,003.95</b>
<b>Net (increase)/decrease</b>	<b>814.04</b>	<b>(431.49)</b>
<b>26. Employee benefits expense</b>		
Salaries and wages, including bonus	2,363.61	1,906.17
Company's contribution to provident and other funds	95.89	71.05
Workmen and staff welfare expenses	58.77	46.27
<b>Total employee benefits expense</b>	<b>2,518.27</b>	<b>2,023.49</b>
<b>27. Finance costs</b>		
Interest expense	469.39	489.15
Other Borrowing costs	186.77	139.12
<b>Total finance costs</b>	<b>656.16</b>	<b>628.27</b>
<b>28. Depreciation and amortisation expense</b>		
Depreciation on tangible assets	1,496.96	1,685.08
<b>Total depreciation expense</b>	<b>1,496.96</b>	<b>1,685.08</b>
<b>29. Excise duty</b>		
Excise duty on sale of finished products	2,369.79	7,646.82
(Increase)/decrease in excise duty on finished products	(219.30)	46.39
<b>Total Excise duty expense</b>	<b>2,150.49</b>	<b>7,693.21</b>
<b>30. Other expenses</b>		
Consumption of stores, spare parts and loose tools	1,693.20	1,142.10
Repairs to buildings	65.75	15.54
Repairs to plant and machinery	317.93	220.06
Repairs to others	30.53	18.47
Power and fuel	2,518.44	2,280.43
Other manufacturing expenses	1,437.97	1,156.80
Rent	5.97	5.33
Rates, taxes and licenses	37.38	32.23
Insurance charges	57.61	52.83
Freight and handling charges	2,199.18	1,715.17
Commission and brokerage	131.76	112.71
Selling expenses	421.95	251.99
Loss /(gain) on foreign currency transaction (net)	0.62	-
Loss on sale/discard of assets	1.37	1.82
Corporate social responsibility expenses	75.30	72.34
Other general expenses	383.97	330.18
<b>Total other expenses</b>	<b>9,378.93</b>	<b>7,408.00</b>

<b>30. Other expenses</b>		
	For the year ended 31.03.2018	For the year ended 31.03.2017
Note:		
<b>Auditor's Remuneration (included in other general expenses)</b>		
Audit Fee	4.50	4.17
Tax Audit Fee	0.50	0.50
Other Services (certification fee)	0.50	0.36
Reimbursement of expenses	0.93	0.53
	<b>6.43</b>	<b>5.56</b>
<b>31. Income tax recognised in profit and loss</b>		
<b>Current tax</b>		
Current Tax Expenses	1,472.01	646.98
Mat credit availed / (entitlement)	623.17	(646.98)
Income Tax Expenses	2,095.18	-
In respect of prior years	1.82	2.28
Income tax expenses including earlier year tax	<b>2,097.00</b>	<b>2.28</b>
<b>Deferred tax</b>		
Deferred tax (assets) / liabilities of the current year	(96.76)	311.35
Deferred tax (assets) / liabilities in other comprehensive income	(1.76)	23.26
	<b>(98.52)</b>	<b>334.61</b>
<b>Total tax expense</b>	<b>1,998.48</b>	<b>336.89</b>
<b>The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:</b>		
Profit before tax as per statement of Profit and Loss	6,933.53	2,977.80
Accounting Profit before tax	6,933.53	2,977.80
Applicable Income Tax rate	34.608%	34.608%
Computed income tax expense	2,399.56	1,030.56
Effect of income that is exempt from tax	(12.55)	(756.56)
Effect of expenses that are not deductible in determining taxable profit	27.30	27.82
Effect of timing difference of Depreciation	(347.09)	(297.83)
Effect of timing difference of liabilities	27.96	(3.99)
	<b>2,095.18</b>	<b>(-)</b>
Reconciliation of deferred tax (assets) / liabilities		
Effect of written down value	(47.26)	300.31
Effect of timing difference of liability	(49.50)	11.04
Effect of timing difference of liability in other comprehensive income	<b>(1.76)</b>	<b>23.26</b>
	<b>(98.52)</b>	<b>334.61</b>

### 32. Segment Reporting

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Iron and Steel
- Power

Revenue and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as Unallocable expenses.

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

### Segment revenue and results

#### Segment revenue

	For the year ended 31.03.2018	For the year ended 31.03.2017
Steel	84,558.04	69,319.96
Power	14,824.20	12,362.79
Unallocated Other income (Net)	476.23	124.72
	<b>99,858.47</b>	<b>81,807.47</b>
Less : Inter-segment revenue	14,824.20	12,362.79
<b>Total</b>	<b>85,034.27</b>	<b>69,444.68</b>
<b>Segment Results</b>		
Steel	2,139.62	(1,814.84)
Power	4,973.84	5,296.19
<b>Total Segment Result</b>	<b>7,113.46</b>	<b>3,481.35</b>
Less : Interest	656.16	628.27
Less : Other unallocated expenses /(income)	(476.23)	(124.72)
<b>Profit /(Loss) before taxes</b>	<b>6,933.53</b>	<b>2,977.80</b>

#### Segment assets and liabilities

##### Segment assets

	As at 31.03.2018	As at 31.03.2017
Steel	33,546.44	29,687.40
Power	9,680.63	10,005.71
<b>Total segment assets</b>	<b>43,227.07</b>	<b>39,693.11</b>
Unallocated	12,769.03	7,121.33
<b>Total assets</b>	<b>55,996.10</b>	<b>46,814.44</b>
<b>Segment liabilities</b>		
Steel	14,771.84	10,520.15
Power	-	-
<b>Total segment liabilities</b>	<b>14,771.84</b>	<b>10,520.15</b>
Unallocated	-	-
Shareholders' Fund	41,224.26	36,294.29
<b>Total liabilities</b>	<b>55,996.10</b>	<b>46,814.44</b>
<b>Capital Expenditure</b>		
Steel	1,952.2	2,014.96
Power	-	2,157.67
Depreciation	-	-
Steel	1,105.72	1,149.23
Power	391.24	535.86
<b>Total depreciation</b>	<b>1,496.96</b>	<b>1,685.09</b>

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<b>33. Earnings per share</b>		
	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Basic and diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Company	4,933.29	2,664.17
Weighted average number of equity shares for the purposes of basic earnings per share	8,13,22,324	8,13,22,324
Basic and diluted earnings per share	<b>6.07</b>	<b>3.28</b>

**34. Employee Benefit plans**

**(i) Defined contribution plans**

**Provident fund**

The contributions to the Provident Fund and Family Pension Fund of eligible employees are made to a Government administered Provident Fund i.e The Employees' Provident Fund and Miscellaneous Provision Act 1952 and there are no further obligations beyond making such contribution.

**(ii) Defined benefit plans**

**Gratuity**

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

**Amount recognised as expenses**

Employer's Contribution to Provident Fund amounting to ₹ 52.70 lakhs (previous year ₹ 26.93 lakhs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 41.80 lakhs (previous year ₹ 46.87 lakhs) has been included in Note 26 Employee Benefits Expenses.

**(iii) The amount recognised in the Company's financial statements as at the year end as under:**

	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Movement in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	97.81	112.75
Current service cost	40.88	43.19
Interest cost	6.71	9.02
Actuarial (gains)/ loss on obligation	5.26	(67.15)
Benefits paid	-	-
Closing defined benefit obligation	<b>150.66</b>	<b>97.81</b>

	For the year ended 31.03.2018		For the year ended 31.03.2017		
<b>Movement in the fair value of the plan assets</b>					
Opening fair value of plan assets		72.25		66.84	
Interest income on plan assets		5.78		5.34	
Employer's contribution		-		-	
Actuarial (gains)/ loss on Plan Assets		0.18		0.07	
Benefits paid		-		-	
Closing fair value of plan assets		<b>78.21</b>		<b>72.25</b>	
<b>Components of defined benefit costs recognised in profit and loss</b>					
Current service cost		40.88		43.19	
Interest expenses on defined benefit obligation		6.71		9.02	
Interest (income) on plan assets		(5.78)		(5.34)	
Defined benefit cost included in Profit & Loss Account		<b>41.81</b>		<b>46.87</b>	
<b>Components of defined benefit costs recognised in other comprehensive income</b>					
Actuarial (gains)/ loss on obligation for the year		5.26		(67.15)	
Return on plan assets (excluding interest income)		(0.18)		(0.07)	
Total defined benefit cost recognised in OCI		<b>5.08</b>		<b>(67.22)</b>	
<b>Amount recognised in the statement of financial position</b>					
Present value of obligation at the end of the year'		150.66		97.81	
Fair value of Plan Assets at the end of the year		(78.21)		(72.25)	
Net defined benefit liability / (assets)		<b>72.45</b>		<b>25.56</b>	
Of which Short term liability		44.13		-	
<b>Estimated contribution to be made in next financial year</b>		36.22		47.46	
<b>Actuarial Assumptions</b>					
Discount Rate		8.00%		6.86%	
Expected Rate of Return on plan Assets					
Salary Escalation rate		5.00%		5.00%	
Employee Turnover					
Mortality		Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-08) Ultimate	
<b>Assets Information</b>					
(i) Gratuity Fund (SBI Life)		78.21		72.25	
(ii) Target allocation		100%		100%	
(iii) Sensitivity Analysis Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.					
		For the year ended 31.03.2018		For the year ended 31.03.2017	
		(increase)	(Decrease)	(increase)	(Decrease)
Discount Rate (1% movement)		142.18	160.39	93.79	102.26
Salary escalation rate (1% movement)		161.17	141.09	101.82	94.07

**35. Related Party Disclosures**

(i)	<b>Related parties where control exists</b>	
	<b>Subsidiary Company</b>	
	GL Steel and Power Limited	
(ii)	<b>Related parties with whom transactions have taken place during the year</b>	
	Gallantt Ispat Limited	(Associate company)
	Ganesh Laxmi Processors Private Ltd	(Company under common control)
	Gallantt Foundation	(Trust under common control)
(iii)	<b>Key Management personnel</b>	
	Mr. Chandra Prakash Agrawal,	Chairman and Managing Director
	Mr. Dinesh R Agarwal	Wholtime Director
	Mr. Prashnat Jalan	Director
	Mr. Sandip Kumar Agarwal	Chief Financial Officer
	Mr. Rajesh Upadhaya	Company Secretary
(iv)	<b>Relative of key management personnel</b>	
	Mr. Akash agarwal	(Son of Mr. Dinesh R Agarwal)
	Mrs. Ritu Agarwal	(Wife of Mr. Sandip Kumar Agarwal)

**Transaction during the year**

Nature of Transaction	Subsidiary company	Associate company	Company under common control	Key Management Personnel	Relative of key Management Personnel
Loan Given	92.50	-	-	-	-
Sale of Goods	-	22.12 (30.78)	9.14	-	-
Purchase of Goods	-	14.24 (74.09)	7.86 (2.19)	-	-
Remuneration / Salary	-	-	-	72.26 (68.94)	28.56 1.67
Dividend Received	-	36.26	-	-	-
Interest Received	0.27	-	-	-	-
Contribution in CSR	-	-	40.00	-	-
Investment	5.88	-	-	-	-
<b>Amount outstanding as at Balance Sheet date</b>					
Loan Receivable	92.74	-	-	-	-
Trade Receivable	-	-	5.92	-	-

(Note : Figures in brackets are related to previous year)



### 36. Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

#### Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Debt			
Current borrowings	(5,469.60)	(7,418.12)	(6,212.50)
Cash and bank balances	486.40	289.33	461.10
Net debt	<b>(4,983.20)</b>	<b>(7,128.79)</b>	<b>(5,751.40)</b>
Total equity	<b>41,224.26</b>	<b>36,294.29</b>	<b>33,586.16</b>
Equity share capital	8,132.23	8,132.23	8,132.23
Other equity	33,092.03	28,162.06	25,453.93
<b>Net debt to equity ratio</b>	<b>(0.12)</b>	<b>(0.20)</b>	<b>(0.17)</b>

### 37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

#### (i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

#### Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

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(₹ in lacs)

### Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial Liabilities</b>				
<b>Hedged</b>				
Buyers' Credit	USD	-	-	15.27
	INR	-	-	1,022.92
<b>Unhedged</b>				
Trade Payable	USD	99.30	-	3.90
	INR	6,471.06	-	258.69
Buyers' Credit	USD	16.43	-	-
	INR	1,056.75	-	-

### Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

### Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### (ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Others	5,051.87	3,402.82	3,035.37
	<b>5,051.87</b>	<b>3,402.82</b>	<b>3,035.37</b>

### (iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

### Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at the Balance Sheet dates

As at 31.03.2018	Carrying amount	Less than 1 month	1 - 3 months	3-12 months to 1 year	1 to 5 years	> 5 years
Short term borrowings	5,469.60	3,912.21	1,557.39	-	-	-
Derivative liabilities						
Trade payables	7,891.09	3,027.47	4,863.62	-	-	-
Other financial liabilities	297.05	297.05	-	-	-	-
<b>As at 31.03.2017</b>						
Short term borrowings	7,418.12	5,521.65	1,896.47	-	-	-
Derivative liabilities						
Trade payables	2,203.23	2,203.23	-	-	-	-
Other financial liabilities	225.90	225.90	-	-	-	-
<b>As at 31.03.2016</b>						
Short term borrowings	6,212.50	3,974.10	2,238.40	-	-	-
Derivative liabilities	17.53	17.53	-	-	-	-
Trade payables	1,134.15	1,108.28	25.87	-	-	-
Other financial liabilities	217.40	217.40	-	-	-	-

### 38. Fair value measurements

Refer Note (2.07) for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

the following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level -1 : Quoted prices in active markets for identical assets or liabilities.

Level -2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable.

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial Assets:</b>			
Investment - Non -current	4,266.08	4,260.20	4,260.20
Security deposits - Non - current	76.68	70.53	64.38
Trade receivables	5,051.87	3,402.82	3,035.37
Cash and cash equivalents	453.72	245.20	441.10
Other bank balances	32.68	44.13	20.00
Loan - Current	7,014.26	853.36	403.31
Other Financial assets - Current	8.80	7.42	77.53
<b>Total</b>	<b>16,904.09</b>	<b>8,883.66</b>	<b>8,301.89</b>

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial Liabilities</b>			
Borrowings - Current	5,469.60	7,418.12	6,212.50
Trade payable	7,891.09	2,203.23	1,134.15
Derivative financial liabilities	-	-	17.53
Other financial liabilities	297.05	225.90	217.40
<b>Total</b>	<b>13,657.74</b>	<b>9,847.25</b>	<b>7,581.58</b>

### 39. Commitments

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,006.54	-	621.76

### 40. Contingent liabilities

		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(i)	Curtailling the assured benefit of exemption granted to New Industrial unit in Kutch, Gujarat. The Company is entitled to exemption for 100% of the duty paid in Cash after utilization of CENVAT Credit for 5 years from the date of Commercial Production. Hon'ble High Court of Gujarat has granted the verdict in favor of Company, Department preferred appeal in Supreme Court.	595.96	595.96	595.96
(ii)	Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same).	80.04	80.04	80.04
(iii)	Claim against the company not acknowledged debt in respect of disputed liability of freight with railway. Case is pending in Hon'ble Highcourt, Gujarat.	161.45	161.45	161.45
(iv)	Hon'ble High court of Gujarat has declared collection of green cess by the State Act ultra vires the constitution and the same is therefor void and ordered to refund the green cess collected. We had applied for refund.	25.56	25.56	25.56
(v)	Income Tax (A.Y.-2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (₹ 17.24 lakhs adjusted against refund for A.Y.-2008-09 against said demand)	38.85	38.85	38.85
(vi)	Income Tax (A.Y.-2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal	48.07	48.07	48.07
(vii)	Benefit on import of coal from AIFTA Preferential Tariff denied by the Kandla custom. We have preferred appeal to Commissioner of Custom.	39.03	39.03	39.03

		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(viii)	Demand raised by the Addl. Commisiner of Central Excise, Rajkot against utilisation of CENVAT credit of Basic Excise duty for payment of Education and Higher education Cess and filed appeal for the same before CESTAT, Ahmedabad.	49.22	49.22	49.22
(ix)	Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorities.	173.56	158.33	158.33
(x)	Commissioner of Central excise, Kutch Commissionerate issued Show Cause Notice on excise duty liability on sales tax incentive availed by the company.	170.12	170.12	170.12

**Notes:**

- 1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- 2 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

**41 First Time Adoption of IND AS**

**41.1 Transition to IND AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act 2013, read together with the relevant Rules thereunder ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and Effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

**41.2 Optional Exemption Availed**

**(i) Deemed Cost**

The Company has elected to continue with the carrying value for (written down value) all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP

**(ii) Deemed cost for investments in Associates**

The Company has elected to continue with the carrying value of its investments in associates as recognised

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

in the financial statements as at the date of transition to Ind AS. Accordingly, the Company has measured all its investments in associates at their previous GAAP carrying value.

### (iii) Business Combination

Ind AS 101 provided the option to apply Ind AS 103 prospectively from the transition date or specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combination occurring after its transition date. Business combination prior to the transition date have not been restated.

### 41.3 Mandatory Exceptions from retrospective application

#### (i) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

#### (ii) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

#### (iii) Classification and measurement of financial assets

The Company has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### 41.4 Reconciliation of Equity

Particulars	As at 31.03.2017	As at 01.04.2016
Equity as per IGAAP	<b>35,018.97</b>	<b>32,308.72</b>
Re classification of Actural loss on defined benefit plan	(73.65)	(6.44)
Defererd tax impact of IND AS adjustments	13.66	2.21
MTM of hedging contract	-	(5.48)
Remeasurement of provisions of taxes	1,287.15	1,287.15
<b>Net impact of IND AS adjustment in Equity</b>	<b>1,227.16</b>	<b>1,277.44</b>
Re classification of Actural loss on defined benefit plan	73.65	-
Defererd tax impact of IND AS adjustments	(25.49)	-
<b>Net impact of IND AS adjustment in other comprehensive income</b>	<b>48.16</b>	-
<b>Equity as per IND AS</b>	<b>36,294.29</b>	<b>33,586.16</b>

### 41.5 Reconciliation of Total Comprehensive Income

	As at 31.03.2017
<b>Net profit after tax as per IGAAP</b>	2,710.26
Re classification of Actural loss on defined benefit plan	(67.22)
MTM of Hedfing Contract	13.49
Defererd tax impact of IND AS adjustments	9.92
Other Adjustment	(2.28)
<b>Profit for the period</b>	<b>2,664.17</b>
<b>Other comprehensive income</b>	
Remeasurement of defined benefit plans	67.22
Defererd tax impact of IND AS adjustments	(23.26)
<b>Total comprehensive income</b>	<b>2,708.13</b>

## Notes on Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

41.6 There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

### 41.7 Notes to the Reconciliations:

- (i) **Deferred tax asset/liability:** Indian GAAP requires deferred tax accounting using the income statement Approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
- (ii) **Derivative contracts:** Under Indian GAAP, the premium and discount on forward contracts were amortised over the contract period. For other derivative contracts only mark to market losses were recognised based on prudence. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in Statement of Profit and Loss.
- (iii) **Employee benefit:** Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to Statement of Profit or Loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

### 42. Dividend on Equity Shares

Particulars	As at 31.03.2018	As at 31.03.2017
Proposed Dividend (*)		
(₹ 0.25 per share) (2.5%)	203.31	-
Dividend Distribution Tax	41.79	-

(\*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

### 43. Corporate Social Responsibility Contribution (CSR Expenses)

Particulars	As at 31.03.2018	As at 31.03.2017
Gross amount required to be spent by the company during the year	72.79	63.12
Amount spent during the year on		
Construction / acquisition of any fixed assets	-	-
On purpose other than (i) above	75.30	72.34

### 44. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

45. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.
46. Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

(A. K. Khetawat)

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **GALLANTT METAL LIMITED** (hereinafter referred to as "the Holding Company") its subsidiary and its associate (collectively referred to as "The Company" or "the group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement, the consolidated Statement of Change in Equity for the year ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of change in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our

audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their report referred to in Other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statement of the subsidiary and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of change in equity for the year ended on that date.

### Other Matter

The consolidated financial statement includes a



subsidiary company and an associate company whose financial statement and financial information are not audited by us and our opinion on the consolidated Ind AS financial statement, in so far as it relates to the amount and disclosures included in respect of the subsidiary and associate, and our report in terms of sub section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate company is based on the audited financial statements and financial information and auditor's report thereon.

#### Report on Other Legal and Regulatory Requirements

As required by sub-sections 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary and an associate, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive income, the Consolidated Cash Flow Statement and consolidated Statement of Change in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate company, none of the directors of the Group's companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statement of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the reports of the other auditor on separate financial statement and other financial information of the subsidiary and associate, as noted in the 'other matter' paragraph:
  - i) The Group has disclosed the impact of pending litigations on its financial positions in its consolidated financial statements.
  - ii) The Group has did not have any material foreseeable losses on long term contracts including derivative contracts during the year ended March 31, 2018.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **ALPS & Company**  
Chartered Accountants  
Firm's Registration No.313132E

**(A. K. Khetawat)**

Partner

Place: Gorakhpur  
Dated: May 21, 2018

Membership Number: 052751

## ANNEXURE 'A' TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **GALLANTT METAL LIMITED** ("the Holding Company") and its subsidiary and associate (collectively referred to as "the Group"), as of 31 March 2018 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary and one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For **ALPS & Company**  
*Chartered Accountants*  
Firm's Registration No.313132E  
**(A. K. Khetawat)**  
*Partner*  
Membership Number: 052751

Place: Gorakhpur  
Dated: May 21, 2018

# Audited Consolidated Balance Sheet as at 31st March, 2018

(₹ in lacs)

	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>(I) ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	03	21,881.97	23,030.98	20,548.11
(b) Intangible Asset		3.15	-	-
(c) Capital work in progress		2,860.22	1,268.05	1,558.28
		<b>24,745.34</b>	<b>24,299.03</b>	<b>22,106.39</b>
(d) Financial assets				
(i) Investments	04	16,362.49	10,098.94	8,977.04
(ii) Other financial assets	05	76.68	70.53	64.38
(e) Other non-current assets	06	1,392.69	245.32	479.30
(f) Deferred tax assets (Net)	07	1,431.73	1,956.38	1,643.99
(g) Advance Income tax assets (net)		17.13	55.34	69.35
		<b>44,026.06</b>	<b>36,725.53</b>	<b>33,340.45</b>
<b>(2) Current Assets</b>				
(a) Inventories	08	10,978.77	9,861.24	7,991.40
(b) Financial assets				
(i) Trade receivables	09	5,051.87	3,402.82	3,035.37
(ii) Cash and cash equivalent	10(i)	454.75	245.20	441.10
(iii) Other balances with bank	10(ii)	182.45	44.13	20.00
(iv) Loans	11	6,921.52	853.36	403.31
(v) Other financial assets	11A	8.80	7.42	77.53
(c) Other current assets	12	572.60	1,513.48	1,156.13
		<b>24,170.75</b>	<b>15,927.65</b>	<b>13,124.84</b>
<b>TOTAL ASSETS</b>		<b>68,196.81</b>	<b>52,653.18</b>	<b>46,465.29</b>
<b>(II) EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	13	8,132.23	8,132.23	8,132.23
(b) Other equity	14	45,194.32	34,000.80	30,170.77
		<b>53,326.55</b>	<b>42,133.03</b>	<b>38,303.00</b>
<b>(2) Non-current liabilities</b>				
(a) Provisions	15	28.32	25.56	45.91
		<b>28.32</b>	<b>25.56</b>	<b>45.91</b>
<b>(3) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	5,567.15	7,418.12	6,212.50
(ii) Derivative liabilities	17	-	-	17.53
(iii) Trade payables	18	7,891.09	2,203.23	1,134.15
(iv) Other financial liabilities	19	297.05	225.90	217.40
(b) Provisions	20	44.13	-	-
(c) Other current liabilities	21	1,042.52	647.34	534.80
		<b>14,841.94</b>	<b>10,494.59</b>	<b>8,116.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>68,196.81</b>	<b>52,653.18</b>	<b>46,465.29</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

Chairman & Managing Director

Wholetime Director

Chief Financial Officer

Company Secretary

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

(₹ in lacs)

	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
(1) Revenue from operations	22	84,558.04	69,319.96
(2) Other income	23	476.23	124.72
<b>(3) Total Revenue (1) + (2)</b>		<b>85,034.27</b>	<b>69,444.68</b>
<b>(4) EXPENSES</b>			
(a) Cost of materials consumed	24	59,979.66	47,091.43
(b) Purchase of stock in trade		1,106.23	368.88
(c) Changes in inventories of finished products and work in progress	25	814.04	(431.49)
(d) Employee benefits expense	26	2,518.27	2,023.49
(e) Finance costs	27	656.16	628.27
(f) Depreciation expense	28	1,496.96	1,685.09
(g) Excise duty	29	2,150.49	7,693.21
(h) Other expenses	30	9,378.93	7,408.00
<b>Total Expenses (4)</b>		<b>78,100.74</b>	<b>66,466.88</b>
<b>(5) Profit before tax (3) - (4)</b>		<b>6,933.53</b>	<b>2,977.80</b>
<b>(6) Tax Expense</b>			
(a) Current tax			
(i) Current tax for current period		2,095.18	-
(ii) Current tax for the previous years		1.82	2.28
(b) Deferred tax			
(i) Deferred tax for current period		(96.76)	311.35
<b>Total tax expense (6)</b>		<b>2,000.24</b>	<b>313.63</b>
<b>(7) Profit for the period (5) - (6)</b>		<b>4,933.29</b>	<b>2,664.17</b>
<b>Share of Profit from Associate</b>		<b>1,340.67</b>	<b>1,113.95</b>
<b>(8) Profit for the period</b>		<b>6,273.96</b>	<b>3,778.12</b>
<b>(9) Other comprehensive income (OCI)</b>			
(a) Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		(5.08)	67.22
(ii) Share of OCI from Associate		4.43	7.95
(iii) Less :Income tax relating to items that will not be reclassified to profit or loss		(1.76)	23.26
<b>Total other comprehensive income (8)</b>		<b>1.11</b>	<b>51.90</b>
<b>(10) Total comprehensive income for the period (8) + (9)</b>		<b>6,275.07</b>	<b>3,830.02</b>
<b>(11) Earnings per equity share: (Face value of share of Rs 10 each)</b>	<b>33</b>		
(a) Basic		<b>7.71</b>	<b>4.65</b>
(b) Diluted		<b>7.71</b>	<b>4.65</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholtime Director*

*Chief Financial Officer*

*Company Secretary*

**GALANIT**

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## Consolidated Statement in Equity Changes for the year ended 31st March, 2018

(₹ in lacs)

### A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2016	8,132.23
Changes in equity share capital during the year ended March 31, 2017	-
Balance as at 31 March 2017	8,132.23
Changes in equity share capital during the year ended March 31, 2018	-
<b>Balance as at 31 March 2018</b>	<b>8,132.23</b>

### B. Other Equity

Statement of changes in Equity	Reserves and surplus				Total Equity
	Capital Reserve	Security Premium	Retained Earnings	Other Comprehensive Income	
Balance at April 1, 2016	4,300.68	1,050.00	24,815.88	4.21	30,170.77
Profit for the year	-	-	3,778.12	-	3,778.12
Other Comprehensive Income	-	-	-	51.90	51.90
Balance at March 31, 2017	4,300.68	1,050.00	28,594.00	56.11	34,000.79
Profit for the period	-	-	6,273.96	-	6,273.96
Addition of share of Associates	4,918.45	-	-	-	4,918.45
Other Comprehensive Income	-	-	-	1.11	1.11
<b>Balance at March 31, 2018</b>	<b>9,219.13</b>	<b>1,050.00</b>	<b>34,867.96</b>	<b>57.22</b>	<b>45,194.32</b>

See accompanying notes forming part of the financial statements

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

Chairman & Managing Director

Wholetime Director

Chief Financial Officer

Company Secretary

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

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>A. Cash Flow from Operating activities:</b>		
<b>Profit for the period</b>	6,933.53	2,977.80
<i>Adjustments for:</i>		
Depreciation expense	1,496.96	1,685.09
Interest income	(438.80)	(73.86)
Interest expenses	469.39	489.15
Remeasurement Gain / (Loss) on defined benefit plan	(5.08)	67.22
Net (Gain)/Loss on derivative instruments	-	(13.50)
(Profit)/loss on sale of property, plant & equipments	1.37	(7.15)
Liabilities/provision no longer required written back	(1.17)	(1.93)
Share of Profit/ (Loss) from Associates	1,345.10	1,121.90
<b>Operating profit before working capital changes</b>	<b>9,801.31</b>	<b>6,244.72</b>
<i>Adjustments for (increase)/decrease in operating assets</i>		
Inventories	(1,117.53)	(1,869.84)
Trade receivables	(1,649.05)	(367.45)
Non-current financial Assets	(6.15)	(6.15)
Other non-current assets	(559.59)	-
Current financial assets	4.21	61.07
Other current assets	940.88	(357.35)
<i>Adjustments for increase/(decrease) in operating liabilities</i>		
Trade Payables	5,687.86	1,069.08
Current financial liabilities	71.15	13.27
Other current liabilities	395.18	112.54
Provisions	48.06	(18.42)
<b>Cash generated from operations</b>	<b>13,616.32</b>	<b>4,881.47</b>
Direct taxes paid	(1,435.63)	(635.27)
<b>Net cash generated from operating activities</b>	<b>12,180.70</b>	<b>4,246.20</b>
<b>B. Cash Flow from Investing activities:</b>		
Purchase of property, plant and equipment	(2,543.12)	(3,653.20)
Sale of property, plant & equipment	10.70	11.83
Investment in shares	(1,345.10)	(1,121.90)
Movement in loans and advances	(6,068.16)	(450.05)
Movement in fixed deposit held as margin	(138.32)	(24.13)
Interest received	433.21	78.87
<b>Net cash (used in) investing activities</b>	<b>(9,650.79)</b>	<b>(5,158.58)</b>

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

(₹ in lacs)

	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>C. Cash Flow from Financing activities:</b>		
Proceeds from /(Payments against) bills discounted (net)	(2,166.27)	655.82
Proceeds from /(Repayment against) working capital borrowings (net)	(741.45)	1,574.18
Proceeds from buyer's credit	1,056.75	(1,024.37)
Interest paid	(469.39)	(489.15)
<b>Net cash (used in) financing activities</b>	<b>(2,320.36)</b>	<b>716.48</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>209.55</b>	<b>(195.90)</b>
<b>Cash and cash equivalents as at 1 April 1</b>	<b>245.20</b>	<b>441.10</b>
<b>Cash and cash equivalents as at 31st March</b>	<b>454.75</b>	<b>245.20</b>

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 10(i))
2. Figures in brackets represent outflows.

As per terms of our report attached

For **ALPS & Co.**

*Chartered Accountants*

**Firm Registration No : 313132E**

**(A. K. Khetawat)**

*Partner*

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*



# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

## Note - 01 General information

### 1.01 Corporate information

Gallant Metal Limited ("the Company") is a public limited company domiciled in India incorporated under the provisions of the Companies Act. The registered office of the company is located in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company including its subsidiary and associate collectively referred as (Group) is engaged in manufacturing of Steel and Steel products with power plant and having its manufacturing unit at Village Samakhali, Dist Kutch in the State of Gujarat.

### 1.02 Basis of preparation of financial statement

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

These consolidated financial statements for the year ended March 31, 2018 are the first, the Group has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS. The consolidated financial statements for the year ended March 31, 2017 and the opening Balance Sheet as at April 01, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Equity, Total Comprehensive Income is provided in note 41.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial

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

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

### 1.03 Basis of measurement

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

### 1.04 Functional and presentation currency

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

### 1.05 Key estimates and assumptions

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

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

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

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

- Useful lives of Property, plant and equipment (Refer Note 2.01)
- Assets and obligations relating to employee benefits (Refer Note 2.15)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 2.16)
- Provisions and Contingencies (Refer Note 2.11)

### 1.06 Measurement of fair values

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

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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

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

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

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

## Note -02 Significant Accounting Policies

### 2.01 Property, Plant and Equipment (PPE)

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

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

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

Estimated useful lives of the assets are as follows:

Buildings	:	<b>3 to 60 years</b>
Plant and equipment	:	<b>10 to 25 years</b>
Furniture and Fixtures	:	<b>10 years</b>
Office Equipments	:	<b>5 to 10 years</b>
Computers	:	<b>3 years</b>
Motor Vehicles	:	<b>8 to 10 years</b>
Rolls	:	<b>1 year</b>

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.02 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 2.03 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to

its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

## 2.04 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

## 2.05 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

## 2.06 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

### 2.07 Financial Assets

#### i) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

#### ii) Subsequent Measurement

Financial assets are subsequently / classified and measured at:

amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

#### iii) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

#### iv) Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Group's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business

model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(c) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

#### v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

#### vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### vii) Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## 2.08 Financial Liabilities

### i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

### ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.09 Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.10 Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 2.11 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

### 2.12 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. The group has assumed the recovery of excise duty flows to the Group on its own account, for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Accordingly revenue includes excise duty for the year ended March 31, 2017 and for the period from April 1, 2017 to June 30,2017. From July 1, 2017 the revenue excludes Goods and Service Tax (GST) collected from customers.

#### i) Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

#### ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

#### iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on ground of prudence.

### 2.13 Foreign Currencies Transactions

The financial statements of the Group are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

### 2.14 Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2.15 Employee Benefits

#### i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

### ii) Post Employment Benefit

#### (a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

#### (b) Defined Benefit Plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

### iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the group will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the group.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.16 Taxes on Income

### i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary

## 2.17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**Notes on Consolidated Financial Statements** for the year ended 31st March, 2018

(₹ in lacs)

03. Property, plant and equipment	Freehold Land	Freehold Building	Roads	Plant and Machinery	Electrical installation and Equipments	Lab Equipments	Furniture and fixtures	Office Equipments	Motor Vehicles	Computers	Rolls	Total
<b>Cost or deemed cost</b>												
Balance at April 1, 2016	750.91	4,199.78	552.17	14,344.92	378.65	34.40	28.82	30.88	118.31	4.13	105.14	20,548.11
Additions	52.40	380.13	5.40	3,506.91	12.25	-	0.58	6.74	27.24	0.71	180.28	4,172.64
Disposals	-	-	-	-	-	-	(1.06)	-	(4.91)	(0.19)	(105.14)	(111.30)
Balance at March 31, 2017	803.31	4,579.91	557.57	17,851.83	390.90	34.40	28.34	37.62	140.64	4.65	180.28	24,609.45
Additions	-	-	-	57.53	8.00	9.10	-	7.21	105.43	1.43	171.32	360.02
Disposals	-	-	-	-	-	-	-	-	(13.56)	-	(180.28)	(193.84)
<b>Balance at March 31, 2018</b>	<b>803.31</b>	<b>4,579.91</b>	<b>557.57</b>	<b>17,909.36</b>	<b>398.90</b>	<b>43.50</b>	<b>28.34</b>	<b>44.83</b>	<b>232.51</b>	<b>6.08</b>	<b>171.32</b>	<b>24,775.63</b>
Accumulated depreciation												
Balance at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	154.50	62.19	1,007.55	215.51	10.06	7.10	9.56	27.77	2.55	188.29	1,685.08
Disposals	-	-	-	-	-	-	-	-	(1.48)	-	(105.14)	(106.62)
Balance at March 31, 2017	-	154.50	62.19	1,007.55	215.51	10.06	7.10	9.56	26.29	2.55	83.15	1,578.46
Depreciation expense	-	162.98	62.67	1,012.14	16.07	5.42	5.68	11.02	28.83	2.27	189.89	1,496.97
Disposals	-	-	-	-	-	-	-	-	(4.13)	-	(177.64)	(181.77)
<b>Balance at March 31, 2018</b>	<b>-</b>	<b>317.48</b>	<b>124.86</b>	<b>2,019.69</b>	<b>231.58</b>	<b>15.48</b>	<b>12.78</b>	<b>20.58</b>	<b>50.99</b>	<b>4.82</b>	<b>95.40</b>	<b>2,893.66</b>
<b>Carrying amount</b>												
Balance at April 1, 2016	750.91	4,199.78	552.17	14,344.92	378.65	34.40	28.82	30.88	118.31	4.13	105.14	20,548.11
Balance at March 31, 2017	803.31	4,425.41	495.38	16,844.28	175.39	24.34	21.24	28.06	114.35	2.10	97.13	23,030.99
<b>Balance at March 31, 2018</b>	<b>803.31</b>	<b>4,262.43</b>	<b>432.71</b>	<b>15,889.67</b>	<b>167.32</b>	<b>28.02</b>	<b>15.56</b>	<b>24.25</b>	<b>181.52</b>	<b>1.26</b>	<b>75.92</b>	<b>21,881.97</b>

Note:

- The group has availed the deemed cost exemption in relation to the Property Plant and Equipment on the date of transition as at 1 April 2016 and hence the net block carrying amount has been considered as the gross block carrying amount on transition date i.e 1 April, 2016. The carrying value as at 1 April 2016 amounting to ₹ 20,548.11 lakhs represents gross cost of ₹ 34,048.58 lakhs net of accumulated depreciation of ₹ 13,500.47 lakhs as at 1 April, 2016.
- All property plant and equipment are given as collateral security to the bank for working capital loans by way of hypothecation on movable fixed assets including plant and machinery both present and future and equitable mortgage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.
- Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.



# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

04. Non-Current Investment							
	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016		
	Qty Nos.	Amount ₹ lakhs	Qty Nos.	Amount ₹ lakhs	Qty Nos.	Amount ₹ lakhs	
<b>Investments in Subsidiaries and Associates</b>							
<b>Investments in Equity Instruments (Fully paid up unless stated otherwise)</b>							
<b>Quoted Investments</b>							
<b>Associates</b>							
Gallantt Ispat Limited at face value of ₹ 10 each.	72,51,992	4,260.20	72,51,992	4,260.20	72,51,992	4,260.20	
Capital reserve on Consolidation		9,219.13		4,300.68		4,300.68	
Post Acquisition profit		2,870.78		1,530.11		416.16	
Post Acquisition OCI		12.38		7.95			
<b>Total aggregate quoted investments</b>	<b>72,51,992</b>	<b>16,362.49</b>	<b>72,51,992</b>	<b>10,098.94</b>	<b>72,51,992</b>	<b>8,977.04</b>	
<b>Unquoted Investments</b>							
<b>Subsidiary</b>							
GL Steel & Power Ltd. at face value of ₹ 10 each.	58,800	-	-	-	-	-	
<b>Total aggregate unquoted investments</b>	<b>58,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Investments carrying value</b>	<b>-</b>	<b>16,362.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Aggregate book value of quoted investments</b>		<b>16,362.49</b>	<b>-</b>	<b>10,098.94</b>		<b>8,977.04</b>	
<b>Aggregate market value of quoted investments</b>		<b>19,584.00</b>	<b>-</b>	<b>30,782.89</b>		<b>36,457.58</b>	
05. Other non-current financial assets (Unsecured, Considered good)							
	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016		
Security deposits		76.68		70.53		64.38	
<b>Total non-current financial assets</b>		<b>76.68</b>		<b>70.53</b>		<b>64.38</b>	
06. Other non-current assets							
Capital advances		587.78		-		233.98	
Balance with Statutory and Government authorities		763.06		245.32		245.32	
Others		41.85		-		-	
<b>Total other non-current assets</b>		<b>1,392.69</b>		<b>245.32</b>		<b>479.30</b>	
07. Deferred tax balances							
The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:							
Deferred tax assets		4,306.48		4,901.65		4,265.70	
Deferred tax liabilities		(2,874.76)		(2,945.27)		(2,621.70)	
<b>Net deferred tax asset/(liability) for the year ended 31.03.2018</b>		<b>1,431.73</b>		<b>1,956.38</b>		<b>1,643.99</b>	
<b>Deferred tax (liabilities)/assets in relation to:</b>							
<b>Deferred Tax Liability</b>							
Written down value of Assets		2,870.30		2,917.56		2,617.25	
		<b>2,870.30</b>		<b>2,917.56</b>		<b>2,617.25</b>	
<b>Deferred Tax Assets</b>							
Mat Credit entitlement		4,242.59		4,865.75		4,218.78	
Provision for retirement benefit		25.08		8.19		15.89	
Other Provision		34.36		0.00		26.58	
		<b>4,302.03</b>		<b>4,873.94</b>		<b>4,261.25</b>	

GALLANTT

Notice

Board & Management Report

Standalone Financial Report

Consolidated Financial Report

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

<b>08. Inventories</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Raw materials	7,933.03	6,248.42	5,240.93
Including in transit ₹ 5,541.77 lakhs (31.03.2017 ₹ 1,833.24 lakhs and 31.03.2016 ₹ 2,015.19 lakhs)			
Work-in-progress	33.48	30.21	16.21
Finished products	1,156.42	1,973.74	1,556.25
Stores and spare parts	1,855.84	1,608.87	1,178.01
<b>Total inventories</b>	<b>10,978.77</b>	<b>9,861.24</b>	<b>7,991.40</b>

- Inventories are pledged on pari passu first charge against short term loans from bank (refer note 16)
- The mode of valuation of Inventories has been stated in note 02 point -05

<b>09. Trade receivables (Current) Unsecured, considered good</b>			
<b>Total trade receivables</b>	<b>5,051.87</b>	<b>3,402.82</b>	<b>3,035.37</b>
	<b>5,051.87</b>	<b>3,402.82</b>	<b>3,035.37</b>

<b>10. Cash and bank balances</b>			
<b>Cash and cash equivalents</b>			
Cash on hand	6.65	16.70	33.83
Balances with banks			
In current accounts	6.10	-	-
In deposit accounts*	442.00	228.50	407.27
<b>Total cash and cash equivalents 10(i)</b>	<b>454.75</b>	<b>245.20</b>	<b>441.10</b>
<b>Other bank balances</b>			
In deposits accounts**	182.45	44.13	20.00
<b>Total other bank balances 10(ii)</b>	<b>637.20</b>	<b>289.33</b>	<b>461.10</b>
<b>Included above</b>			
Bank deposits for margin against letters of credit and Bank Guarantee	624.45	272.63	427.27
* This represent deposits with original maturity of less than or equal to three months.			
** This represent deposits with original maturity of more than three months but within twelve months.			

<b>11. Current Financial Assets - Loans (Unsecured, considered good)</b>			
Loans to other Body Corporates	6,921.52	853.36	403.31
	<b>6,921.52</b>	<b>853.36</b>	<b>403.31</b>
<b>Details of loans under section 186(4) of the Companies Act, 2013</b>			
Shalimar Corp Limited	4,421.52	853.36	403.31
Nihon Impex Private Limited	2,500.00	-	-

<b>11A. Other financial assets</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Interest accrued on fixed deposits	5.59	-	5.01
Dividend receivable	-	-	72.52
Others	3.21	7.42	-
<b>Total other financial assets</b>	<b>8.80</b>	<b>7.42</b>	<b>77.53</b>

# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

12. Other current assets			
<b>Advance with public bodies</b>			
Balance with Statutory and Government authorities	381.19	827.05	934.04
Advance to suppliers	97.24	540.98	93.90
Other advances and prepayments			
Prepayments	36.10	92.99	76.11
Others	58.07	52.46	52.08
<b>Total other current assets</b>	<b>572.60</b>	<b>1,513.48</b>	<b>1,156.13</b>

13. Share capital			
<b>Authorised:</b>			
<b>8,30,00,000 (P.Y. 8,30,00,000) Equity Shares of ₹ 10 each</b>	8,300.00	8,300.00	8,300.00
<b>Issued, Subscribed and fully paid up:</b>			
<b>8,13,22,324 (P.Y. 8,13,22,324) Equity Shares of ₹ 10 each</b>	8,132.23	8,132.23	8,132.23
	<b>8,132.23</b>	<b>8,132.23</b>	<b>8,132.23</b>

## Reconciliation of Number of Shares and amount outstanding at the beginning and end of the reporting period

	For the period ended 31.03.2018		For the period ended 31.03.2017		For the period ended 31.03.2016	
	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs
<b>Equity shares</b>						
<b>Issued, subscribed and fully paid up:</b>						
At beginning and end of the year	8,13,22,324	8,132.23	8,13,22,324	8,132.23	8,13,22,324	8,132.23
Issued during the year	-	-	-	-	-	-
At end of the year	<b>8,13,22,324</b>	<b>8,132.23</b>	<b>8,13,22,324</b>	<b>8,132.23</b>	<b>8,13,22,324</b>	<b>8,132.23</b>

## Rights, preferences and restrictions attached to shares

### Equity Shares

- The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.
- The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.
- The Company for the period of five years immediately preceding the date of Balance Sheet has not:
  - Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.
  - Allotted fully paid up shares by way of bonus shares.
  - Bought back any class of shares.

# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

## Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholders	For the period ended 31.03.2018		For the period ended 31.03.2017		For the period ended 31.03.2016	
	No. of Shares	% of holding	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Ispat Limited	3,94,62,895	48.53	3,94,62,895	48.53	1,37,49,768	16.91
Gallantt Udyog Limited	-	-	-	-	2,41,13,127	29.65
Lexi Exports Pvt. Limited	1,19,77,179	14.73	1,19,77,179	14.73	1,19,77,179	14.73
Santosh Kumar Agarwal	-	-	-	-	42,31,424	5.20
Richie Credit and Finance Pvt. Ltd.	46,07,635	5.67	46,07,635	5.67	-	-
Hipoline Commece Pvt. Ltd.	73,65,284	9.06	58,70,685	7.22	-	-
Utkarsh Dealers Pvt. Ltd.	-	-	-	-	43,76,763	5.38

14. Other Equity			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Securities premium	1,050.00	1,050.00	1,050.00
Retained Earnings	34,867.96	28,594.00	24,815.88
Capital Reserve	9,219.13	4,300.68	4,300.68
Other Comprehensive Income	57.23	56.11	4.21
<b>Total other equity</b>	<b>45,194.32</b>	<b>34,000.80</b>	<b>30,170.77</b>
<b>Securities Premium</b>			
Opening and closing balance	1,050.00	1,050.00	1,050.00
<b>Retained Earnings</b>			
Opening balance	28,594.00	24,815.88	24,815.88
Profit for the period	6,273.96	3,778.12	-
Closing balance	<b>34,867.96</b>	<b>28,594.00</b>	<b>24,815.88</b>
<b>Other Comprehensive Income</b>			
Opening Balance	56.11	4.21	-
Other Comprehensive Income for the year	1.70	79.37	6.44
Less : Tax impact on above	0.59	27.47	2.23
Closing Balance	<b>57.23</b>	<b>56.11</b>	<b>4.21</b>
<b>Capital Reserve</b>			
Opening balance	4,300.68	4,300.68	4,300.68
Addition during the year	4,918.45	-	-
Closing balance	<b>9,219.13</b>	<b>4,300.68</b>	<b>4,300.68</b>
	<b>45,194.32</b>	<b>34,000.80</b>	<b>30,170.77</b>

15. Non-current Provisions			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for employee benefits			
Retirement gratuity	28.32	25.56	45.91
<b>Total provisions</b>	<b>28.32</b>	<b>25.56</b>	<b>45.91</b>

<b>16. Current Financial Liabilities - Borrowings</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
<b>Secured - at amortised cost</b>			
<b>Repayable on demand</b>			
From banks			
Cash credit	3,912.21	4,751.21	3,177.03
<b>Other loans</b>			
Buyer's credit	1,056.75	-	1,024.37
e-VFS from State Bank of India	500.64	2,666.91	2,011.10
<b>Total secured borrowings</b>	<b>5,469.60</b>	<b>7,418.12</b>	<b>6,212.50</b>
<b>Unsecured - at amortised cost</b>			
Other loans	97.55	-	-
<b>Total Unsecured borrowings</b>	<b>97.55</b>	<b>-</b>	<b>-</b>
<b>Total borrowings</b>	<b>5,567.15</b>	<b>7,418.12</b>	<b>6,212.50</b>

- The above working capital loan from bank is secured by first charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts- present and future.
- The above working capital loan from bank is secured by collateral security by way of hypothecation on fixed assets including plant & machinery - both present and future and equitable mortgage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.
- The above working capital loan from bank is secured by collateral security by pledge of 5,10,500 (31.03.2017: 5,10,500, 31.03.2016: 5,10,500) equity share of the company held by promoters.
- The above working capital loans is guaranteed by the corporate guarantee of M/s Hipoline Commerce Pvt. Ltd.
- The above working capital loan is guaranteed by the personal guarantee of Sri C. P. Agrawal, Sri Dinesh R Agarwal and Sri Nitin Mahavir Prasad Kandoi, Directors of the company.
- The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

<b>17. Current Financial Liabilities - Derivative</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Foreign currency forward contracts	-	-	17.53
<b>Total derivative liabilities</b>	<b>-</b>	<b>-</b>	<b>17.53</b>

<b>18. Current Financial Liabilities - Trade Payables</b>			
Total outstanding dues to micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,891.09	2,203.23	1,134.15
<b>Total Trade Payables</b>	<b>7,891.09</b>	<b>2,203.23</b>	<b>1,134.15</b>

**Note:**

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2018, to Micro, Small and Medium Enterprises on account of principal or interest.

<b>19. Current Financial Liabilities - Others</b>			
	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>	<b>As at 01.04.2016</b>
Creditors for accrued wages and salaries	297.05	225.90	212.63
Creditors for purchase of fixed assets	-	-	4.77
<b>Total other current financial liabilities</b>	<b>297.05</b>	<b>225.90</b>	<b>217.40</b>

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

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<b>20. Current Provisions</b>			
<b>Provision for employee benefits</b>			
Post retirement gratuity	44.13	-	-
	<b>44.13</b>	-	-

<b>21. Other current liabilities</b>			
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance received from customers	1.31	16.85	132.27
Employee recoveries and employer's contributions	10.12	10.18	2.73
Statutory dues	1,026.77	616.04	395.53
Other credit balances	4.33	4.27	4.27
<b>Total other current liabilities</b>	<b>1,042.53</b>	<b>647.34</b>	<b>534.80</b>

<b>22. Revenue from operations</b>		
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Sale of Products</b>		
Sale of manufactured goods	82,284.46	67,972.03
Sale of traded goods	1,264.32	373.11
Other Operating Revenue	1,009.26	974.82
<b>Revenue from Operations (Net)</b>	<b>84,558.04</b>	<b>69,319.96</b>

<b>23. Other income</b>		
Interest income from financial assets measured at amortised cost		
From fixed deposits	20.86	25.47
From Others	417.94	48.39
Dividend income		
From associate	36.26	-
Gain on foreign currency transactions (net)	-	39.78
Gain on sale of fixed assets (net)	-	8.97
Other non operating income	1.17	1.93
Miscellaneous income	-	0.18
<b>Total other income</b>	<b>476.23</b>	<b>124.72</b>

<b>24. Cost of materials consumed</b>		
<b>Raw materials &amp; components consumed</b>		
Opening stock	6,248.42	5,240.93
Add: Purchases	61,664.27	48,098.92
	<b>67,912.69</b>	<b>53,339.85</b>
Less: Closing stock	7,933.03	6,248.42
<b>Total raw materials consumed</b>	<b>59,979.66</b>	<b>47,091.43</b>

# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

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<b>25. Changes in inventories of finished products and work in progress</b>		
	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
<b>Inventories at the beginning of the year/period</b>		
Finished products	1,973.74	1,556.25
Work-in-progress	30.21	16.21
	<b>2,003.95</b>	<b>1,572.46</b>
<b>Less : Inventories at the end of the year/period</b>		
Finished products	1,156.43	1,973.74
Work-in-progress	33.48	30.21
	<b>1,189.91</b>	<b>2,003.95</b>
<b>Net (increase)/decrease</b>	<b>814.04</b>	<b>(431.49)</b>
<b>26. Employee benefits expense</b>		
Salaries and wages, including bonus	2,363.61	1,906.17
Company's contribution to provident and other funds	95.89	71.05
Workmen and staff welfare expenses	58.77	46.27
<b>Total employee benefits expense</b>	<b>2,518.27</b>	<b>2,023.49</b>
<b>27. Finance costs</b>		
Interest expense	469.39	489.15
Bank Charges	186.77	139.12
<b>Total finance costs</b>	<b>656.16</b>	<b>628.27</b>
<b>28. Depreciation and amortisation expense</b>		
Depreciation on tangible assets	1,496.96	1,685.08
<b>Total depreciation expense</b>	<b>1,496.96</b>	<b>1,685.08</b>
<b>29. Excise duty</b>		
Excise duty on sale of finished products	2,369.79	7,646.82
(Increase)/decrease in excise duty on finished products	(219.30)	46.39
<b>Total Excise duty expense</b>	<b>2,150.49</b>	<b>7,693.21</b>
<b>30. Other expenses</b>		
Consumption of stores, spare parts and loose tools	1,693.20	1,142.10
Repairs to buildings	65.75	15.54
Repairs to plant and machinery	317.93	220.06
Repairs to others	30.53	18.47
Power and fuel	2,518.44	2,280.43
Other manufacturing expenses	1,437.97	1,156.80
Rent	5.97	5.33
Rates, taxes and licenses	37.38	32.23
Insurance charges	57.61	52.83
Freight and handling charges	2,199.18	1,715.17
Commission and brokerage	131.76	112.71
Selling expenses	421.95	251.99
Loss /(gain) on foreign currency transaction (net)	0.62	-
Loss on sale/discard of assets	1.37	1.82
Corporate social responsibility expenses	75.30	72.34
Other general expenses	383.97	330.18
<b>Total other expenses</b>	<b>9,378.93</b>	<b>7,408.00</b>

# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

<b>30. Other expenses</b>		
	<b>For the year ended 31.03.2018</b>	<b>For the year ended 31.03.2017</b>
Note:		
<b>Auditor's Remuneration (included in other general expenses)</b>		
Audit Fee	4.50	4.17
Tax Audit Fee	0.50	0.50
Other Services (certification fee)	0.50	0.36
Reimbursement of expenses	0.93	0.53
	<b>6.43</b>	<b>5.56</b>
<b>31. Income tax recognised in profit and loss</b>		
<b>Current tax</b>		
Current Tax Expenses	1,472.01	646.98
Mat credit availed / (entitlement)	623.17	(646.98)
Income Tax Expenses	<b>2,095.18</b>	-
In respect of prior years	1.82	2.28
Income tax expenses including earlier year tax	<b>2,097.00</b>	<b>2.28</b>
<b>Deferred tax</b>		
Deferred tax (assets) / liabilities of the current year	(96.76)	311.35
Deferred tax (assets) / liabilities in other comprehensive income	(1.76)	23.26
	<b>(98.52)</b>	<b>334.61</b>
<b>Total tax expense</b>	<b>1,998.48</b>	<b>336.89</b>
<b>The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:</b>		
Profit before tax as per statement of Profit and Loss	6,933.53	2,977.80
Accounting Profit before tax	6,933.53	2,977.80
Applicable Income Tax rate	34.608%	34.608%
Computed income tax expense	2,399.56	1,030.56
Effect of income that is exempt from tax	(12.55)	(756.56)
Effect of expenses that are not deductible in determining taxable profit	27.30	27.82
Effect of timing difference of Depreciation	(347.09)	(297.83)
Effect of timing difference of liabilities	27.96	(3.99)
	<b>2,095.18</b>	<b>(-)</b>
Reconciliation of deferred tax (assets) / liabilities		
Effect of written down value	(47.26)	300.31
Effect of timing difference of liability	(49.50)	11.04
Effect of timing difference of liability in other comprehensive income	<b>(1.76)</b>	<b>23.26</b>
	<b>(98.52)</b>	<b>334.61</b>

## 32. Segment Reporting

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Iron and Steel
- Power

Revenue and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as Unallocable expenses.



## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

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Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

### Segment revenue and results

#### Segment revenue

	For the year ended 31.03.2018	For the year ended 31.03.2017
Steel	84,558.04	69,319.96
Power	14,824.20	12,362.79
Unallocated Other income (Net)	476.23	124.72
	<b>99,858.47</b>	<b>81,807.47</b>
Less : Inter-segment revenue	14,824.20	12,362.79
<b>Total</b>	<b>85,034.27</b>	<b>69,444.68</b>
<b>Segment Results</b>		
Steel	2,139.62	(1,814.84)
Power	4,973.84	5,296.19
<b>Total Segment Result</b>	<b>7,113.46</b>	<b>3,481.35</b>
Less : Interest	656.16	628.27
Less : Other unallocated expnses /(income)	(476.23)	(124.72)
<b>Profit /(Loss) before taxes</b>	<b>6,933.53</b>	<b>2,977.80</b>

#### Segment assets and liabilities

##### Segment assets

	As at 31.03.2018	As at 31.03.2017
Steel	33,739.10	29,687.41
Power	9,680.63	10,005.71
<b>Total segment assets</b>	<b>43,419.73</b>	<b>39,693.12</b>
Unallocated	24,777.08	12,960.06
<b>Total assets</b>	<b>68,196.81</b>	<b>52,653.18</b>
<b>Segment liabilities</b>		
Steel	14,870.26	10,520.15
Power	-	-
<b>Total segment liabilities</b>	<b>14,870.26</b>	<b>10,520.15</b>
Unallocated	-	-
Shareholders' Fund	41,224.26	36,294.29
<b>Total liabilities</b>	<b>56,094.52</b>	<b>46,814.44</b>
<b>Capital Expenditure</b>		
Steel	1,952.20	2,014.96
Power	-	2,157.67
Depreciation		
Steel	1,105.72	1,149.23
Power	391.24	535.86
<b>Total depreciation</b>	<b>1,496.96</b>	<b>1,685.09</b>

33. Earnings per share		
	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Basic and diluted earnings per share</b>		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Company	6,273.96	3,778.12
Weighted average number of equity shares for the purposes of basic earnings per share	8,13,22,324	8,13,22,324
Basic and diluted earnings per share	<b>7.71</b>	<b>4.65</b>

**34. Employee Benefit plans****(i) Defined contribution plans****Provident fund**

The contributions to the Provident Fund and Family Pension Fund of eligible employees are made to a Government administered Provident Fund i.e The Employees' Provident Fund and Miscellaneous Provision Act 1952 and there are no further obligations beyond making such contribution.

**(ii) Defined benefit plans****Gratuity**

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

**Amount recognised as expenses**

Employer's Contribution to Provident Fund amounting to ₹ 52.70 lakhs (previous year ₹ 26.93 lakhs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 41.80 lakhs (previous year ₹ 46.87 lakhs) has been included in Note 26 Employee Benefits Expenses.

**(iii) The amount recognised in the Company's financial statements as at the year end as under:**

	For the year ended 31.03.2018	For the year ended 31.03.2017
<b>Movement in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	97.81	112.75
Current service cost	40.88	43.19
Interest cost	6.71	9.02
Actuarial (gains)/ loss on obligation	5.26	(67.15)
Benefits paid	-	-
Closing defined benefit obligation	<b>150.66</b>	<b>97.81</b>

# Notes on Consolidated Financial Statements for the year ended 31st March, 2018

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	For the year ended 31.03.2018		For the year ended 31.03.2017		
<b>Movement in the fair value of the plan assets</b>					
Opening fair value of plan assets		72.25		66.84	
Interest income on plan assets		5.78		5.34	
Employer's contribution		0.00		0.00	
Actuarial (gains)/ loss on Plan Assets		0.18		0.07	
Benefits paid		-		-	
Closing fair value of plan assets		<b>78.21</b>		<b>72.25</b>	
<b>Components of defined benefit costs recognised in profit and loss</b>					
Current service cost		40.88		43.19	
Interest expenses on defined benefit obligation		6.71		9.02	
Interest (income) on plan assets		(5.78)		(5.34)	
Defined benefit cost included in Profit & Loss Account		<b>41.81</b>		<b>46.87</b>	
<b>Components of defined benefit costs recognised in other comprehensive income</b>					
Actuarial (gains)/ loss on obligation for the year		5.26		(67.15)	
Return on plan assets (excluding interest income)		(0.18)		(0.07)	
Total defined benefit cost recognised in OCI		<b>5.08</b>		<b>(67.22)</b>	
<b>Amount recognised in the statement of financial position</b>					
Present value of obligation at the end of the year'		150.66		97.81	
Fair value of Plan Assets at the end of the year		(78.21)		(72.25)	
Net defined benefit liability / (assets)		<b>72.45</b>		<b>25.56</b>	
Of which Short term liability		44.13		-	
<b>Estimated contribution to be made in next financial year</b>		36.22		47.46	
<b>Actuarial Assumptions</b>					
Discount Rate		8.00%		6.86%	
Expected Rate of Return on plan Assets					
Salary Escalation rate		5.00%		5.00%	
Employee Turnover					
Mortality		Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-08) Ultimate	
<b>Assets Information</b>					
(i) Gratuity Fund (SBI Life)		78.21		72.25	
(ii) Target allocation		100%		100%	
(iii) Sensitivity Analysis Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.					
		For the year ended 31.03.2018		For the year ended 31.03.2017	
		(increase)	(Decrease)	(increase)	(Decrease)
Discount Rate (1% movement)		142.18	160.39	93.79	102.26
Salary escalation rate (1% movement)		161.17	141.09	101.82	94.07

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35. Related Party Disclosures

(i)	<b>Related parties where control exists</b>	
	<b>Subsidiary Company</b>	
	GL Steel and Power Limited	
(ii)	<b>Related parties with whom transactions have taken place during the year</b>	
	Gallantt Ispat Limited	(Associate company)
	Ganesh Laxmi Processors Private Ltd	(Company under common control)
	Gallantt Foundation	(Trust under common control)
(iii)	<b>Key Management personnel</b>	
	Mr. Chandra Prakash Agrawal,	Chairman and Managing Director
	Mr. Dinesh R Agarwal	Wholtime Director
	Mr. Prashnat Jalan	Director
	Mr. Sandip Kumar Agarwal	Chief Financial Officer
	Mr. Rajesh Upadhaya	Company Secretary
(iv)	<b>Relative of key management personnel</b>	
	Mr. Akash agarwal	(Son of Mr. Dinesh R Agarwal)
	Mrs. Ritu Agarwal	(Wife of Mr. Sandip Kumar Agarwal)

Transaction during the year

Nature of Transaction	Associate company	Company under common control	Key Management Personnel	Relative of key Management Personnel
Sale of Goods	22.12	9.14	-	-
	(30.78)			
Purchase of Goods	14.24	7.86	-	-
	(74.09)	(2.19)		
Remuneration / Salary	-	-	72.26	28.56
			(68.94)	1.67
Dividend Received	36.26	-	-	-
Contribution in CSR	-	40.00	-	-
<b>Amount outstanding as at Balance Sheet date</b>				
Loan Receivable	-	-	-	-
Trade Receivable		5.92		-

(Note : Figures in brackets are related to previous year)

36. Capital management

The Group manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Group consists of net debt and the total equity of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

**Gearing Ratio**

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Debt			
Current borrowings	(5,567.15)	(7,418.12)	(6,212.50)
Cash and bank balances	637.20	289.33	461.10
Net debt	<b>(4,929.95)</b>	<b>(7,128.79)</b>	<b>(5,751.40)</b>
Total equity	<b>53,326.55</b>	<b>42,133.03</b>	<b>38,303.00</b>
Equity share capital	8,132.23	8,132.23	8,132.23
Other equity	45,194.32	34,000.80	30,170.77
<b>Net debt to equity ratio</b>	<b>(0.09)</b>	<b>(0.17)</b>	<b>(0.15)</b>

**37. Financial risk management objectives and policies**

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Group does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

**(i) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

**Foreign currency risk management**

The Group is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Group is Indian Rupee. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

**Exposure to currency Risk**

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial Liabilities</b>				
<b>Hedged</b>				
Buyers' Credit	USD	-	-	15.27
	INR	-	-	1,022.92
<b>Unhedged</b>				
Trade Payable	USD	99.30	-	3.90
	INR	6,471.06	-	258.69
Buyers' Credit	USD	16.43	-	-
	INR	1,056.75	-	-

**Interest rate risk management**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's short-term debt obligations with floating interest rates.

**Interest rate sensitivity analysis**

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(ii) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade receivables and loans and advances.**

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

The Group monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Group does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Others	5,051.87	3,402.82	3,035.37
	<b>5,051.87</b>	<b>3,402.82</b>	<b>3,035.37</b>

**(iii) Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the group's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Group has access to funds from debt markets through loan from banks and other Debt instrument. The Group invests its surplus funds in bank fixed deposits.

**Maturity profile of financial liabilities**

The following are the remaining contractual maturities of financial liabilities as at the Balance Sheet dates

As at 31.03.2018	Carrying amount	Less than 1 month	1 - 3 months	3-12 months to 1 year	1 to 5 years	> 5 years
Short term borrowings	5,567.15	4,009.76	1,557.39	-	-	-
Derivative liabilities						
Trade payables	7,891.09	3,027.47	4,863.62	-	-	-
Other financial liabilities	297.05	297.05	-	-	-	-

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<b>As at 31.03.2017</b>						
Short term borrowings	7,418.12	5,521.65	1,896.47	-	-	-
Derivative liabilities						
Trade payables	2,203.23	2,203.23		-	-	-
Other financial liabilities	225.90	225.90		-	-	-
<b>As at 31.03.2016</b>						
Short term borrowings	6,212.50	3,974.10	2,238.40	-	-	-
Derivative liabilities	17.53	17.53	-	-	-	-
Trade payables	1,134.15	1,108.28	25.87	-	-	-
Other financial liabilities	217.40	217.40	-	-	-	-

### 38. Fair value measurements

Refer Note (2.07) for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level -1 : Quoted prices in active markets for identical assets or liabilities.

Level -2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable.

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>Financial Assets:</b>			
Investment - Non -current	16,362.49	10,098.94	8,977.04
Security deposits - Non - current	76.68	70.53	64.38
Trade receivables	5,051.87	3,402.82	3,035.37
Cash and cash equivalents	454.75	245.20	441.10
Other bank balances	182.45	44.13	20.00
Loan - Current	6,921.52	853.36	403.31
Other Financial assets - Current	8.80	7.42	77.53
<b>Total</b>	<b>29,058.55</b>	<b>14,722.40</b>	<b>13,018.73</b>
<b>Financial Liabilities</b>			
Borrowings - Current	5,567.15	7,418.12	6,212.50
Trade payable	7,891.09	2,203.23	1,134.15
Derivative financial liabilities	-	-	17.53
Other financial liabilities	297.05	225.90	217.40
<b>Total</b>	<b>13,755.29</b>	<b>9,847.25</b>	<b>7,581.58</b>

### 39. Commitments

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	5,006.54	-	621.76

## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

### 40. Contingent liabilities

		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(i)	Curtailling the assured benefit of exemption granted to New Industrial unit in Kutch, Gujarat. The Company is entitled to exemption for 100% of the duty paid in Cash after utilization of CENVAT Credit for 5 years from the date of Commercial Production. Hon'ble High Court of Gujarat has granted the verdict in favor of Company, Department preferred appeal in Supreme Court.	595.96	595.96	595.96
(ii)	Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same).	80.04	80.04	80.04
(iii)	Claim against the company not acknowledged debt in respect of disputed liability of freight with railway. Case is pending in Hon'ble Highcourt, Gujarat.	161.45	161.45	161.45
(iv)	Hon'ble High court of Gujarat has declared collection of green cess by the State Act ultra vires the constitution and the same is therefor void and ordered to refund the green cess collected. We had applied for refund.	25.56	25.56	25.56
(v)	Income Tax (A.Y.-2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (₹ 17.24 lakhs adjusted against refund for A.Y.-2008-09 against said demand)	38.85	38.85	38.85
(vi)	Income Tax (A.Y.-2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal	48.07	48.07	48.07
(vii)	Benefit on import of coal from AIFTA Preferential Tariff denied by the Kandla custom. We have preferred appeal to Commissioner of Custom.	39.03	39.03	39.03
(viii)	Demand raised by the Addl. Commisiner of Central Excise, Rajkot against utilisation of CENVAT credit of Basic Excise duty for payment of Education and Higher education Cess and filed appeal for the same before CESTAT, Ahmedabad.	49.22	49.22	49.22
(ix)	Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorities.	257.56	158.33	158.33



## Notes on Consolidated Financial Statements for the year ended 31st March, 2018

(₹ in lacs)

		As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(x)	Commissioner of Central excise, Kutch Commissionerate issued Show Cause Notice on excise duty liability on sales tax incentive availed by the company.	170.12	170.12	170.12

Notes:

- 1 The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- 2 It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

### 41 First Time Adoption of IND AS

#### 41.1 Transition to IND AS

The Group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. These financial statements for the year ended March 31, 2018 are the first financial statements the Group has prepared under Ind AS. For all periods upto and including the year ended March 31, 2017, the group prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act 2013, read together with the relevant Rules thereunder ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and Effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the group has prepared financial statements which comply with Ind AS for year ended March 31, 2018, together with the comparative information as at and for the year ended March 31, 2017 and the opening Ind AS Balance Sheet as at April 01, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP and have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

#### 41.2 Optional Exemption Availed

##### (i) Deemed Cost

The Group has elected to continue with the carrying value for (written down value) all of its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as the deemed cost at the date of transition to Ind AS, measured as per the previous GAAP

##### (ii) Deemed cost for investments in Associates

The group has elected to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the group has measured all its investments in associates at their previous GAAP carrying value.

##### (iii) Business Combination

Ind AS 101 provided the option to apply Ind AS 103 prospectively from the transition date or specific date prior to the transition date. The Company has elected to apply Ind AS 103 prospectively to business combination occurring after its transition date. Business combination prior to the transition date have not been restated.

**41.3 Mandatory Exceptions from retrospective application**

(i) **Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

(ii) **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

(iii) **Classification and measurement of financial assets**

The Group has classified and measured the financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**41.4 Reconciliation of Equity**

Particulars	As at 31.03.2017	As at 01.04.2016
Equity as per IGAAP	<b>35,018.97</b>	<b>32,308.72</b>
Re classification of Actural loss on defined benefit plan	(73.65)	(6.44)
Defererd tax impact of IND AS adjustments	13.66	2.21
MTM of hedging contract	-	(5.48)
Remeasurement of provisions of taxes	1,287.15	1,287.15
<b>Net impact of IND AS adjustment in Equity</b>	<b>1,227.16</b>	<b>1,277.44</b>
Re classification of Actural loss on defined benefit plan	73.65	-
Defererd tax impact of IND AS adjustments	(25.49)	-
<b>Net impact of IND AS adjustment in other comprehensive income</b>	<b>48.16</b>	-
<b>Equity as per IND AS</b>	<b>36,294.29</b>	<b>33,586.16</b>

**41.5 Reconciliation of Total Comprehensive Income**

Particulars	As at 31.03.2017
<b>Net profit after tax as per IGAAP</b>	<b>2,710.26</b>
Re classification of Actural loss on defined benefit plan	(67.22)
MTM of Hedfing Contract	13.49
Defererd tax impact of IND AS adjustments	9.92
Other Adjustment	(2.28)
<b>Profit for the period</b>	<b>2,664.17</b>
<b>Other comprehensive income</b>	
Remeasurement of defined benefit plans	67.22
Defererd tax impact of IND AS adjustments	(23.26)
<b>Total comprehensive income</b>	<b>2,708.13</b>

**41.6** There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

**41.7 Notes to the Reconciliations:**

- (i) **Deferred tax asset/liability:** Indian GAAP requires deferred tax accounting using the income statement Approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
- (ii) **Derivative contracts:** Under Indian GAAP, the premium and discount on forward contracts were amortised over the contract period. For other derivative contracts only mark to market losses were recognised based on prudence. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in Statement of Profit and Loss.
- (iii) **Employee benefit:** Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to Statement of Profit or Loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

**42. Dividend on Equity Shares**

Particulars	As at 31.03.2018	As at 31.03.2017
Proposed Dividend (*)		
(₹ 0.25 per share) (2.5%)	203.31	-
Dividend Distribution Tax	41.79	-

(\*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

**43. Corporate Social Responsibility Contribution (CSR Expenses)**

Particulars	As at 31.03.2018	As at 31.03.2017
a) Gross amount required to be spent by the company during the year	72.79	63.12
b) Amount spent during the year on		
i) Construction / acquisition of any fixed assets	-	-
ii) On purpose other than (i) above	75.30	72.34

**44. Subsequent Events**

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

**45.** Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

**46.** Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

**(A. K. Khetawat)**

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : May 21, 2018

**Chandra Prakash Agrawal**

**Dinesh R Agarwal**

**Sandip Kumar Agarwal**

**Tarun Kumar Rathi**

*Chairman & Managing Director*

*Wholetime Director*

*Chief Financial Officer*

*Company Secretary*



**FORM FOR FURNISHING PAN AND BANK DETAILS**

To  
**NICHE TECHNOLOGIES PVT. LTD.**  
D-511, Bagree Market, 5<sup>th</sup> Floor  
71, B.R.B. Basu Road, Kolkata -700 001

Dear Sir / Madam,

**Unit: Gallantt Metal Limited**

**Folio No. :**

**I/we hereby furnish our folio details along with PAN and Bank Account details for update in your records.**

I/we are enclosing herewith:

- 1) Self-attested copies of PAN Cards of all the Shareholder(s),
- 2) Original cancelled cheque leaf with name (if name is not printed on cheque - self attested copy of the first page of the pass book of the bank) and
- 3) Address Proof viz., Aadhaar Card of all the shareholder(s), duly self attested, as required for updation of the details:

<b>Folio No.</b>	
<b>Address of the sole/first named shareholder as per the share certificate</b>	
<b>Mobile No.</b>	
<b>E-mail ID</b>	

**Bank Account Details of Sole/First Shareholder:** (for electronic credit of dividends)

<b>Name of the Bank</b>			
<b>Name of the Branch</b>			
<b>Account Number</b> (as appearing in your cheque book)			
<b>Account Type</b> (Please tick as applicable)	<b>Saving</b>	<b>Current</b>	<b>Cash Credit</b>
<b>9 Digit MICR Number</b> (as appearing on the MICR cheque issued by the bank)			
<b>11 Digit IFSC Code</b>			

	<b>Name</b>	<b>PAN</b>	<b>Signature</b>
<b>First Holder</b>			
<b>Joint Holder1</b>			
<b>Joint Holder2</b>			

**Date:**

**Place:**

**NB:** The above details will not be updated if the supporting documents are not attached and not duly signed by all the shareholders.



**GALLANTT METAL LIMITED**

**CIN: L27109WB2005PLC101553**

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

Telefax : +91 33 40642189, Email: csgml@gallantt.com

Website: [www.gallantt.com](http://www.gallantt.com)

**(ANNEXURE TO THE NOTICE FOR THE 14TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 27-09-2018)**

Name & Registered Address of Sole/First named Member	
Joint Holders Name (If any)	
Folio No. / DP ID & Client ID	
No. of Equity Shares Held	

Dear Shareholder,

**Subject: Process and manner for availing E-voting facility:**

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the members to cast their votes electronically on all resolutions proposed to be considered at the Annual General Meeting (AGM) to be held on Thursday, 27th September 2018 at 3.30 p.m. at **Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017** and at any adjournment thereof.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The e-voting facility is available at the link [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/).

The Electronic Voting Particulars are set out below:

<b>EVEN</b>	<b>User ID</b>	<b>Password / PIN</b>

The E-voting facility will be available during the following voting period:

<b>Remote e-Voting Start On</b>	<b>Remote e-Voting End On</b>
24 <sup>th</sup> September, 2018 at 9.00 A.M.(IST)	26 <sup>th</sup> September, 2018 at 5.00 P.M.(IST)

Please read the instructions mentioned in the Notice before exercising your vote.

**For Gallantt Metal Limited**

Tarun Kumar Rathi  
**(Company Secretary)**

Date: August 11, 2018

Place: Gorakhpur







**GALLANTT METAL LIMITED**

CIN:L27109WB2005PLC101553

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

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

E-mail : csgml@gallantt.com

**ATTENDANCE SLIP**

Annual General Meeting, Thursday, the 27th day of September, 2018 at 3.30 p.m.  
at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy / Authorised Representative, if any	

I / We hereby record my / our presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 27th day of September, 2018 at 3.30 p.m. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017

**Signature of Shareholder/ Proxy/ Authorised Representative**

**Note:**

The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.



**GALLANTT METAL LIMITED**

CIN:L27109WB2005PLC101553

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

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

E-mail : csgml@gallantt.com

*(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies**(Management and Administration) Rules, 2014)***FORM NO. MGT-11****FORM OF PROXY**

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

*\*Applicable for Investors holding shares in electronic form.*

I / We, being the member (s) of ..... shares of the above named company, hereby appoint:

1.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

2.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

3.	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 27th day of September, 2018 at 3.30 p.m. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

\*\* I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Resolutions No.	Resolution(s)	For	Against
	<b>Ordinary Business</b>		
1	To receive, consider and adopt		
	a) Audited Financial Statements of the Company for the year ended March 31, 2018 together with the Report of the Board of Directors and Independent Auditors report thereon; and		
	b) Audited Consolidated Financial Statements of the Company for the year ended March 31, 2018 together with Independent Auditors Report thereon.		
2	Declaration of Dividend for the Financial Year 2017-18.		
3	Re-Appointment of Mr. Nitin Mahavir Prasad Kandoi as Director who is retiring by rotation.		
4	Ratification of appointment of Auditors.		

Resolutions No.	Resolution(s)	For	Against
	<b>Special Business</b>		
5.	Approval of payment of Remuneration to Cost Auditor.		
6.	To re-appoint Mr. Jyotirindra Nath Dey (DIN: 00180925) as an Independent Director for Second Term		
7.	To re-appoint Mr. Prasant Kankrania (DIN: 05241947) as an Independent Director for Second Term		
8.	To Revision of Remuneration of Mr. Dinesh Raghbir Prasad Agarwal (DIN: 01017125), Whole-time Director		
9.	To appoint Mr. Sandip Kumar (DIN : 08088624) as an Independent Director		
10.	To grant loan to Gallantt Ispat Limited		

Signed this ..... day of ..... 2018.

Affix Re.1  
Revenue  
Stamp

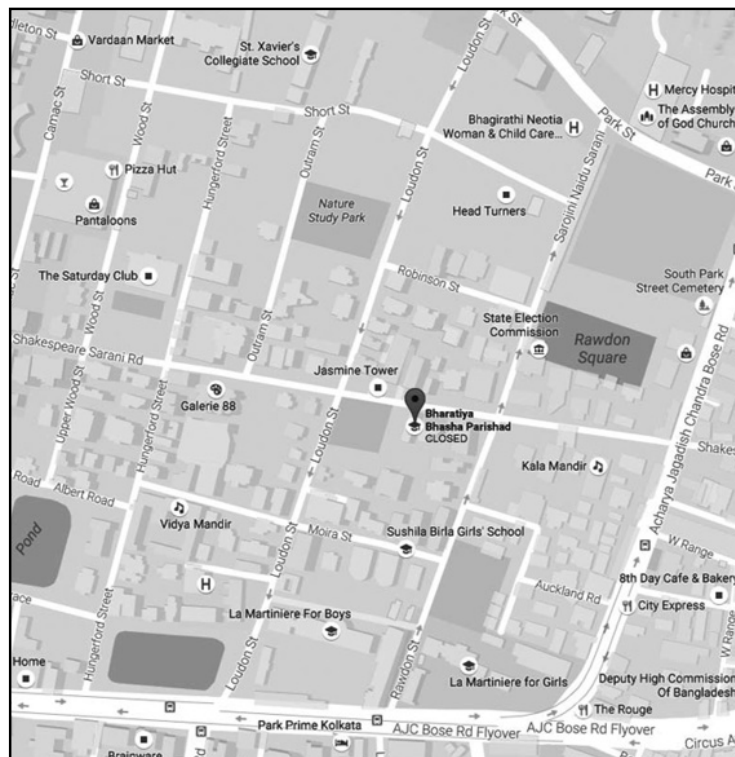
-----  
Signature of Shareholder

-----  
Signature of Proxy holder(s):

**Notes:**

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. \*\*This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

**Road Map of Venue of 14th Annual General Meeting**







**GALLANTT**

[www.gallantt.com](http://www.gallantt.com)

*If undelivered, Please return to :*  
**GALLANTT METAL LTD.**  
(CIN : L27109WB2005PLC101553)  
1, Crooked Lane, Second Floor  
Room Nos. 222 & 223  
Kolkata - 700 069, W.B.