

GML/DEL/2019-20
September 2, 2019

To,
The Manager
Bombay Stock Exchange Limited
Floor 25, P J Towers, Dalal Street,
Mumbai- 400 001, INDIA
Scrip Code: 532726

To,
The Manager
National Stock Exchange of India Limited
"EXCHANGE PLAZA", Bandra – Kurla Complex,
Bandra (East), Mumbai- 400 051, INDIA
Scrip Code: GALLANTT

Sir/Madam,

SUB: SUBMISSION OF ANNUAL REPORT FOR THE YEAR 2018 - 2019

REF: REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In compliance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith a copy of Annual Report of the Company for the financial year 2018-19 which is being dispatched to the members of the Company for approval and adoption by the Members of the Company, at the 15th Annual-General Meeting of the Company to be held on Thursday, September 26, 2019.

Copies of the Annual Reports are available at our website – www.gallantt.com

Please acknowledge the receipt and oblige.

Thanking you,

Yours faithfully,

For **GALLANTT METAL LIMITED**
GALLANTT METAL LTD.

Company Secretary

Tarun Kumar Rath
(CS & COMPLIANCE OFFICER)

Encl: As above

GALLANTT METAL LIMITED

Office : Ward-10 BC, Plot No. 123, Ground Floor, Gandhidham, Kutch, Gujrat-370 201, Tel. : 02836-395626 / 395636 Fax : 02836-235787
Works : Near Toll Gate Village - Samakhyali, Taluka-Bhachau, Kutch - Gujrat, Tel. : 91 98 795 60878, Fax : +91 2837 283690
Registered Office : "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi -110 014
Telefax : 011-45048767, E-mail : gml@gallantt.com, Website : www.gallantt.com
Corporate Identification No. : L27109DL2005PLC350524

The logo for Gallantt, featuring the word "GALLANTT" in a white, stylized, sans-serif font. The letter "A" is replaced by a small orange triangle. The logo is set against a dark brown rectangular background.

GALLANTT



GALLANTT METAL LIMITED
Annual Report 2018-19



My Dear Shareowners

I am very happily presenting our performance for FY 2018-19 and report that the fiscal 2018-19, despite all the challenges, has been an exciting year for Gallantt Metal and our adherence to our strategy leaves us confident of a better year ahead.

Ever since inception, we have created embedded value in our business by strengthening our core capabilities and remaining responsive to the changing industry dynamics. Our products, processes, execution brilliance and robust corporate governance enable us to leverage the right opportunity to unlock value for shareholders, customers, employees, partners and the larger community of stakeholders. A sustainable operational framework is crucial for continued value creation. We continue to focus on ramping up capacity, securing resource availability and delivering on stakeholder commitments. Ever since we commenced our journey, Our focus has always been to reshape the business in line with changing industry dynamics to unlock value for stakeholders sustainably. Value creation is not just about internal strategies, the macro conditions also must play out favourably. If we look at how markets and economies are performing worldwide, there is credible reason for hope.

We continuously focus in manufacturing quality products thereby moving forward in our journey of being the most inspirational steel manufacture brand for consumers. FY 2018-19 was an excellent year for Gallantt Metal and reported the highest ever performance in terms of revenue growth, profitability and strategic growth. Our Company has reported Revenue from operations at ₹ 1,063.79 Crores grew by 25.69% on year to year basis (standalone) and Profit after

tax stood at ₹ 71.63 Crores thereby recorded a growth of 45.19% in Net Profit on year to year basis (standalone). Despite the unforeseen challenges from the external environment we continue to strengthen our internal operations by upgrading technology, streamlining processes and rationalization of human resources.

The Indian economy is likely to grow at around 7% over the next decade. As GDP growth and steel consumption growth have displayed a strong correlation in recent past, steel demand is likely to grow at around 6-7%, which implies that the country would need to produce an additional 7 million tonnes of steel every year with consumption expected to cross the 100 million tonnes milestone in 2019. India's apparent steel use per capita stood at 70 kg in 2018, which is only one-third of the world average. This indicates that India has a huge potential for steel demand growth. Rapid urbanisation, increasing population, and infrastructure development, Government initiatives such as 'Make in India' will provide impetus to the growth in steel demand. The plan for building smart cities, affordable housing, dedicated freight and high-speed rail corridors is expected to create significant demand for steel in the country. Further, India has set a target of becoming a \$5 trillion economy by 2024, and to bring that target within the realm of reality, the government is likely to spend heavily on developing social as well as economic infrastructure. With leadership position in the Western part of the Country like Gujarat, Maharashtra etc. and modern integrated production facilities, Gallantt Metal is well positioned to capitalise on the opportunities and deliver strong growth.

The Company, during its more than a decade existence, has constantly evolved to stay relevant to meet the needs of customers and contribute to nation building. It remains focused on building sustainable value to all our stakeholders while upholding the Gallantt values. At the overall level, I am very happy with the performance we have been able to deliver notwithstanding difficult business conditions. Our Company achieving highest ever growth, is definitely an achievement that every stakeholder of this organisation should be proud of.

Last but not the least, our team is the backbone of our organization, without their experience, expertise and commitment we would not have scaled this height that we have in such a short span. Our journey, our success, is really about our people. Our industry is one that is critically dependent on skilled hands and experience. Our Company is fortunate to have teams of experts, knowledgeable and talented people.

I would like to take this opportunity to thank all our shareowners for their continued support and confidence in the Company and the management.

Thanks,
C. P. AGRAWAL



GALLANTT METAL LIMITED

Corporate Identity Number (CIN): L27109DL2005PLC350524

Corporate Profile

BOARD OF DIRECTORS

Mr. Chandra Prakash Agrawal
Chairman & Managing Director

Mr. Dinesh Raghubir Prasad Agarwal
Whole Time Director

Mr. Prashant Jalan
Director-Plant Operation

Mr. Nitin Mahavir Prasad Kandoi
Director

Mr. Dindayal Jalan
Non-Executive Independent Director

Mr. Ashtbhuja Prasad Srivastava
Non-Executive Independent Director

Mrs. Richa Bhartiya
Non-Executive Independent Director

Mr. Jyotirindra Nath Dey
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

“GALLANTT HOUSE”, I-7, Jangpura
Extension, New Delhi – 110014.
Telefax: 011-45048767
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.
7th Floor, Room, No. 7A & 7B,
3A, Auckland Rd, Elgin, Kolkata,
West Bengal – 700017.
Tel.: (033) 2280 6616 / 17 / 18
Email id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

WORKS OFFICE

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

AUDIT COMMITTEE

Mrs. Richa Bhartiya - Chairperson
Mr. Jyotirindra Nath Dey
Mr. Nitin Mahavir Prasad Kandoi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Nitin Mahavir Prasad Kandoi -
Chairperson
Mrs. Richa Bhartiya
Mr. Jyotirindra Nath Dey

NOMINATION AND REMUNERATION COMMITTEE

Mr. Jyotirindra Nath Dey - Chairperson
Mrs. Richa Bhartiya
Mr. Nitin Mahavir Prasad Kandoi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Jyotirindra Nath Dey - Chairperson
Mr. Chandra Prakash Agarwal
Mr. Dinesh Raghubir Prasad Agarwal

15th ANNUAL GENERAL MEETING

| | |
|---------------------------|---|
| Date | 26.09.2019 |
| Day | Thursday |
| Time | 12.30 P.M |
| Place | “Geeta Bhawan”, 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014. India. |
| Book Closure Date for AGM | Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive) |

MEMBERS ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESS WITH THE DEPOSITORY PARTICIPANTS/REGISTRAR & SHARE TRANSFER AGENT

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GALLANTT METAL LIMITED

CIN:L27109DL2005PLC350524

Registered Office: "Gallantt House", I-7, Jangpura Extension, New Delhi-110014

Phone No. 011-45048767, Fax No. 011-45048767

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)

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of GALLANTT METAL LIMITED (CIN: L27109DL2005PLC350524) will be held on Thursday, 26th September, 2019 at 12.30 P.M. at – "Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014. India to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2. To declare final dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Prashant Jalan (DIN: 06619739), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES

4. **Re-appointment of Mr. Prashant Jalan (DIN: 06619739) as a Whole-time Director of the Company designated as "Director- Plant Operation" and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the re-appointment of Mr. Prashant Jalan as a Whole-time Director of the Company for a term of 3 (three) years with effect from August 12, 2019 to August 11, 2022 liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and

in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Prashant Jalan with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Prashant Jalan provided that the remuneration payable to Mr. Prashant Jalan shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

"RESOLVED FURTHER THAT approval be and is hereby accorded to the remuneration, perquisites, benefits and amenities payable as per the terms and conditions of the Agreement entered into by Mr. Prashant Jalan with the Company for the aforesaid appointment and as set out in the statement annexed to the Notice including the following "

Salary :- At the rate of Rs. 60,000 /- from the date of reappointment

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

Commission:- No commission shall be paid.

Minimum Remuneration:- The above salary will be payable to the Director-Plant Operation 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 Director-Plant Operation shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

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

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Prashant Jalan any remuneration, perquisites,

benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Prashant Jalan in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force)”.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto”.

5. Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, read with Schedule IV of the Companies Act, 2013 and the allied rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof), and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director of the Company, not liable to retire by rotation, who is eligible for appointment, for a term of 5 (five) years with effect from April 29, 2019 up to April 28, 2024 based on the recommendation of Nomination and Remuneration Committee and in line with the approval of the Board of Directors.”

“RESOLVED FURTHER THAT Mr. Chandra Prakash Agrawal, Managing Director, Mr. Nitin Mahavir Prasad Kandoi, Director and Mr. Tarun Kumar Rathi

, Company Secretary be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

6. Appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, read with Schedule IV of the Companies Act, 2013 and the allied rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof), and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director of the Company, not liable to retire by rotation, who is eligible for appointment, for a term of 5 (five) years with effect from June 23, 2019 up to June 22, 2024 based on the recommendation of Nomination and Remuneration Committee and in line with the approval of the Board of Directors.”

“RESOLVED FURTHER THAT Mr. Chandra Prakash Agrawal, Managing Director, Mr. Nitin Mahavir Prasad Kandoi, Director and Mr. Tarun Kumar Rathi, Company Secretary be and are hereby severally authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

7. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 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, 2020, be paid remuneration amounting to Rs. 50,000/- (Rupees Fifty 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”.

8. Reappointment of Mrs. Richa Bhartiya (DIN: 06905283) as an Independent Director and in this regard, to consider 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, Mrs. Richa Bhartiya (DIN: 06905283), who was appointed as an Independent Director and who holds the office of Independent Director up to November 11, 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. November 12, 2019.”

“RESOLVED FURTHER THAT pursuant to the provision of Section 149 (4) read with Companies (Appointment and Qualification of Directors) Rules, 2014, Regulations 25, 26 and 27 of the SEBI LODR and subject to the Schedule IV of the Companies Act, 2013 and all applicable provisions, Mrs. Richa Bhartiya who meets the criteria of independence, as required under the said sections and provisions, be regarded as an Independent Director of the Company.”

“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.”

For Gallantt Metal Limited

Tarun Kumar Rathi
(Company Secretary)

Date: August 13, 2019

Place: Gorakhpur

NOTES:

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Businesses as set out in Item No. 4, 5, 6, 7 & 8 are annexed hereto. Additional Information, pursuant to Para 1.2.5 of SS-2 (“Secretarial Standard on General Meetings”) and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment of Mr. Prashant Jalan and Mrs. Richa Bhartiya and appointment of Mr. Ashtbhuja Prasad Srivastava and Mr. Dindayal Jalan at the 15th Annual General Meeting is also annexed hereto. Further, additional information pursuant to aforesaid provisions in respect of appointment or re-appointment as above at the 15th Annual General Meeting are made part of their respective explanatory statements.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“THE MEETING/ AGM”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/ HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ATTACHED HEREWITH.**

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.

- The proxy holder shall prove his/her identity at the time of attending the Meeting.
- When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy stands automatically revoked.
- Requisition for inspection of proxies shall be received by the Company in writing from a Member entitled to vote on any resolution at least three days before the commencement of the Meeting.
- Proxies shall be made available for inspection during the period beginning twenty four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.
- Corporate Members intending to attend the Meeting are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013,

authorizing their representative to attend and vote at the Meeting.

8. 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.
9. Brief resume of Director proposed to be reappointed, 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.
10. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive) for the purposes of the Annual General Meeting and determining the shareholders eligible for final dividend for the Financial Year 2018-19, if declared at the forthcoming 15th Annual General Meeting.

During the Financial Year 2018-19, 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. The Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 has mandated all Companies to use approved electronic mode of payment for making cash payments such as dividend to the Members (where core banking details are available) or to print the bank account details of the Members (as per the Company's records) on the physical payment instruments (in case where the core banking details are not available or electronic payment instructions have failed or rejected by the Bank).

Hence, the Members are requested to furnish/update their bank account name & branch, bank account number and account type along with other core banking details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial

System Code) etc. at the earliest with:

- i. The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;
 - ii. The Registrar & Share Transfer Agent of the Company (R&T Agent) (in case of the shares held in Physical form).
11. Members holding shares in demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/ mandates or registration of nomination are to be instructed to their Depository Participant only, as the Company or its Registrar & Share Transfer Agent cannot act on any such request received directly from the Members holding shares in demat mode.
However, Members holding shares in physical mode are requested to notify the Registrar & Share Transfer Agent of the Company of any change in their address and e-mail id as soon as possible.
 12. Members are requested to contact the Company's Registrar & Share Transfer Agent Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com; Website: www.nichetechpl.com for reply to their queries/redressal of complaints, if any, or contact Mr. Tarun Kumar Rathi, Company Secretary at the Registered Office of the Company (Phone No.: +91-11-45048767; Email: csgml@gallantt.com).
 14. Members, who have not yet encashed their dividend warrants for the financial year ended March 31, 2018 are requested to make their claim to the Company's Registrar & Share Transfer Agent immediately.
 15. Members are requested to bring their attendance slip, duly signed as per the specimen signature recorded with the Company for admission into the Meeting Hall.
 16. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the Meeting.
 17. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar & Share Transfer Agent.
 18. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's Registrar & Share Transfer Agent for consolidation into single

- folio.
19. Since, the securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, Members holding shares in physical form are requested to get their shares dematerialized at the earliest.
 20. 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 the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent, Niche Technologies Pvt. Ltd.
 21. Electronic copy of the Annual Report 2018-19, Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. The physical copies of the Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to the registered address of the Members of the Company who have not registered their e-mail address in the permitted mode.
 22. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.
 23. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder, Memorandum and Articles of Association, Agreement entered into between the Company and Executive Director etc. Also, 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 are open for inspection by the Members at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. to 1:00 p.m. and also at the AGM. Also, the Notice for this 15th AGM along with requisite documents and the Annual Report for the financial year 2018-19 shall also be available on the Company's website www.gallantt.com.
 24. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is being provided by NSDL.
 25. The facility for voting through Poll/Ballot Paper shall be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting through Poll/Ballot Paper. The facility for voting by electronic voting system shall not be made available at the AGM of the Company.
 26. The e-voting facility will be available during the following voting period:
 - i. Commencement of remote e-voting: From 9.00 a.m. IST of September 23, 2019.
 - ii. End of remote e-voting: Up to 5.00 p.m. IST of September 25, 2019.
 27. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter and the facility will be blocked forthwith.
 28. The voting rights of Members shall be in proportion to their shares of the total paid up equity share capital of the Company as on the cut-off date.
 29. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of the Meeting and holding shares as of the cut-off date i.e. September 19, 2019, needs to refer the instruction above regarding login ID and password and may contact the Company or R&T Agent for any query or assistance in this regard.

Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

30. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again or change it subsequently.
31. Only those Members, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Poll/Ballot Paper.
32. Mr. Tanmay Kumar Saha, Practicing Company Secretary, (Membership No. F8847 and CP No. 11918) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
33. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by use of Poll/ Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
34. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.
35. The Notice of the AGM shall be placed on the website of the Company and NSDL till the date of AGM. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.gallantt.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Head Office.
36. The route map showing directions to reach the venue of the Meeting is annexed.
37. The complete details of unpaid or unclaimed dividends are available on the website of the Company i.e., www.gallantt.com. For any communication, the shareholders may also send requests to the Company Secretary e-mail IDs: csgml@gallantt.com.
38. A Minor shall not be appointed as a Proxy. The proxy of a member, who is blind or incapable of writing may be accepted if such member has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address, provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the member before he attached his signature or mark.
39. The proxy of a member who does not know English may be accepted if it is executed in the manner given in point no. 38 above and the witness certifies that it was explained to the member in the language known to him, and gives the member's name in English below the signature.
40. The Board of Directors at their Meeting held on April 29, 2019, recommended dividend pay-out, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 0.25/- per share, on equity shares of the Company for the Financial Year 2018-19. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 19, 2019 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2019.
- 41. PROCESS AND MANNER FOR MEMBERS OPTING FOR 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.

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*** |

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 to 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.

- 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.
- b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

For Gallantt Metal Limited
Tarun Kumar Rathi

Date: August 13, 2019

Place: Gorakhpur

(Company Secretary)

Explanatory statement pursuant to the provisions of Section 102 of the Companies Act, 2013

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

ITEM NO. 4

Reappointment of Mr. Prashant Jalan as a Managing Director for a period of five years

At their meeting held on 30th March, 2019 the Board of Directors of the Company reappointed Mr. Prashant Jalan as a Whole-time Director of the Company designated as "Director-Plant Operation" for a period of three years effective from 12th August, 2019. Accordingly, the Board of Directors has determined the remuneration payable to Mr. Prashant Jalan as a Whole-time Director. The said appointment as Whole-time Director as well as the remuneration is subject to the approval by the Members in the next General Meeting. Pursuant to the provisions of Section 196, Schedule V and other applicable provisions, if any, of the Companies Act, 2013. Mr. Prashant Jalan is re-appointed as the Whole-time Director of the Company upon the terms of remuneration given below:

Salary:-At the rate of Rs. 60,000 /- from the date of reappointment.

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

Commission:- No commission shall be paid.

Minimum Remuneration:- The above salary will be payable to the Director-Plant Operation 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 Director-Plant Operation shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

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

Mr. Prashant Jalan is a Bachelor of Commerce from Lucknow University having an overall experience of over 25 years including 11 years in steel industry. He has completed one year Diploma in Material & Supply Chain Management from IMT, Gaziabad in the year 2012. He has joined the Company in the year 2009. Mr. Prashant Jalan has contributed extensively towards the growth of the Company and has been actively responsible together with other officers for the installation, implementation and functioning of units of the project of the Company and attainment of the highest standards of quality. His area of job is diversified and looking after factory operation of the Company. The remuneration proposed to be paid to Mr. Prashant Jalan is justified having regard to the nature of services required from him and is commensurate with his knowledge and experience in the industry. He does not hold directorship in other Company.

The Board recommends adoption of the resolution set forth in Item No. 4 for the approval of members by way of Special Resolution.

Mr. Prashant Jalan does not hold Shares in the Company. Mr. Prashant Jalan may be interested or concerned in the said resolution. None of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 4 of this Notice.

The proposed resolution is to be passed as Special Resolution as required under the amended Schedule V to the Companies Act, 2013 and as such, the Directors commend your approval. In compliance with the provisions of Section 196 and 197 of the Companies Act, 2013, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

A copy of the Agreement dated March 30, 2019

referred to in the resolution at Item No. 4 will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday and Sunday prior to the Fifteenth Annual General Meeting and will also be available for inspection from 12.30 P.M. at the place and date of the Meeting.

The resolution along with the explanatory statement above may be treated as a written memorandum under Section 190 of the Companies Act, 2013 and in keeping with the provisions of Section 190(2) of the said Act, the same will be open to inspections by any member of the Company without payment of any fee.

Brief Profile of Mr. Prashant Jalan pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 30 and 36(3) of the SEBI Listing (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, is provided in the table below:

| | |
|--|--|
| Name of the Director | Mr. Prashant Jalan |
| Director Identification No. | 06619739 |
| Father's Name | Mr. Shyam Sunder Jalan |
| Terms and Conditions of Appointment | As per the Agreement dated 30.03.2019 |
| Remuneration drawn in financial year 2018-19 (including sitting fees, if any) | ₹ 6.73 Lacs |
| Remuneration proposed to be paid | As per the Agreement dated 30.03.2019 and specifically detailed in the Resolution above. |
| Date of Birth | 01.07.1974 |
| Age | 45 Years |
| Date of first Appointment | 12.08.2013 |
| Brief Resume and expertise in specific functional areas | Mr. Prashant Jalan is a Bachelor of Commerce from Lucknow University having an overall experience of over 25 years including 11 years in steel industry. He has completed one year Diploma in Material & Supply Chain Management from IMT, Gaziabad in the year 2012. He has joined the Company in the year 2009. Mr. Prashant Jalan has contributed extensively towards the growth of the Company and has been actively responsible together with other officers for the installation, implementation and functioning of units of the project of the Company and attainment of the highest standards of quality. His area of job is diversified and looking after factory operation of the Company. The proposed remuneration will be within overall limit of Schedule V of the Companies Act, 2013. |
| Qualification | B.Com (H), Diploma in Material & Supply Chain Management from IMT, Gaziabad |
| Directorship held in other Companies | NIL |
| Chairman/member of the committee of the Board of Directors of the Company | NIL |
| Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director | NIL |

| | |
|---|-----------------|
| Number of shares held in the Company | NIL |
| No. of Board meetings attended during the financial year 2018-19 | 7 (Seven) |
| Relationship with other Directors, Manager and KMPs of the Company | No relationship |

ITEM NO. 5**Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on April 29, 2019 approved the appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Additional Director in the category of Independent Director, not liable to retire by rotation, for a term of five years with effect from April 29, 2019 valid till April 28, 2024.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Ashtbhuja Prasad Srivastava shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Ashtbhuja Prasad Srivastava, signifying his candidature as a Director and also received 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 Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be

reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 for appointment as Independent Director and he is independent of the management of the Company.

Terms and conditions of his appointment as mentioned in the letter for appointment of Mr. Ashtbhuja Prasad Srivastava as Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Mr. Ashtbhuja Prasad Srivastava is deemed to be interested in the proposed resolution mentioned at Item No. 5 of the Notice.

None of the Directors or Key Managerial Personnel of the Company, and/ or their relatives other than Mr. Ashtbhuja Prasad Srivastava are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolutions set forth in Item No. 5 for the approval of Members by way of an Ordinary Resolution.

Brief Profile of Mr. Ashtbhuja Prasad Srivastava, Independent Director pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, is provided in the table below:

| | |
|--|---|
| Name of the Director | Mr. Ashtbhuja Prasad Srivastava |
| Director Identification No. | 08434115 |
| Father's Name | Shri Umashanker Lal Srivastava |
| Terms and Conditions of Appointment | As per the appointment letter dated 29.04.2019. |
| Remuneration drawn in financial year 2018-19 (including sitting fees, if any) | N.A. |
| Remuneration proposed to be paid | Sitting Fees |
| Date of Birth | 24.06.1951 |
| Age | 68 Years |
| Date of first Appointment | 29.04.2019 |

| | |
|--|---|
| Brief Resume and expertise in specific functional areas | Mr. Ashtbhuja Prasad Srivastava, aged about 68 years, has been an officer of Indian Revenue Service (IRS), 1976 batch. Being in the post of Chief Commissioner, Income Tax Mr. Ashtbhuja Prasad Srivastava has a vast experience of 35 years in the field of finance, accounts, taxation and audit. His vast expertise would be an asset for the Company as he would prove to be an accomplished team leader, mentor and motivator with excellent administrative capabilities. He has the expertise to formulate effective strategies, innovative tax planning and effectively manage compliance of taxation law. At present he is not associated with any company or organization. |
| Qualification | Indian Revenue Service |
| Directorship held in other Companies | Gallantt Ispat Limited |
| Chairman/member of the committee of the Board of Directors of the Company | NIL |
| Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director | Member of Nomination and Remuneration Committee of Gallantt Ispat Limited |
| Number of shares held in the Company | NIL |
| No. of Board meetings attended during the financial year 2018-19 | N.A. |
| Relationship with other Directors, Manager and KMPs of the Company | No relation |

ITEM NO. 6**Appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director**

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on June 23, 2019 approved the appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Additional Director in the category of Independent Director, not liable to retire by rotation, for a term of five years with effect from June 23, 2019 valid till June 22, 2024.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Dindayal Jalan shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Dindayal Jalan, signifying his candidature as a Director and also received 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 Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be

reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and he is independent of the management of the Company.

Terms and conditions of his appointment as mentioned in the letter for appointment of Mr. Dindayal Jalan as Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Mr. Dindayal Jalan is deemed to be interested in the proposed resolution mentioned at Item No. 6 of the Notice.

None of the Directors or Key Managerial Personnel of the Company, and/ or their relatives other than Mr. Dindayal Jalan are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of Members by way of an Ordinary Resolution.

Brief Profile of Mr. Dindayal Jalan, Independent Director pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, is provided in the table below:

| | |
|--|---|
| Name of the Director | Mr. Dindayal Jalan |
| Director Identification No. | 00006882 |
| Father's Name | Mr. Parmeshwar Lal Jalan |
| Terms and Conditions of Appointment | As per the appointment letter dated 23.06.2019. |
| Remuneration drawn in financial year 2018-19 (including sitting fees, if any) | N.A. |
| Remuneration proposed to be paid | Sitting Fees |
| Date of Birth | 29.09.1956 |
| Age | 63 Years |
| Date of first Appointment | 23.06.2019 |
| Brief Resume and expertise in specific functional areas | <p>Mr. Dindayal Jalan, aged about 63 years is a Chartered Accountant and has vast expertise of over 40 years in financial management, corporate negotiations, financial control, business planning, due diligence, business development, treasury, capital raising, business structuring, investor relations, commercial, taxation, people development and strategic planning.</p> <p>Mr. Jalan is pursuing an entrepreneurial stint by developing projects in Agriculture space and promoting start ups through angle network. He superannuated in late 2016 as the Group Chief Financial officer of Vedanta Resources Plc. and an Executive Director and CFO of Vedanta Ltd. Mr. Jalan started his career in 1978 with the Aditya Birla Group's, Hindusthan Gas & Industries Ltd as a management trainee. He was instrumental in transforming iron ore business of the associate Essel Mining to a mechanised mining & setting up a new SME business. He moved to Birla Copper as a Jt. Executive President (Finance and Commerce) where he was involved from the project phase of its copper smelting business to developing it into a robust operating unit. He was responsible for raising finance, setting up of business process and system, organisation building for finance, concentrate procurement, marketing and commodity hedging.</p> <p>Mr. Jalan joined Sterlite Industries, now Vedanta, in 2001 as President Australian operation for its mining operations in Australia. He lead the turnaround of operation and developed a good understanding of working in a multicultural environment. He moved to the position of CFO of Sterlite in 2003 and then to the CFO of Vedanta Resources PLC, a FTSE 250, London listed co, in 2005.</p> <p>He provided strategic leadership in overall finance area with a clear focus on enhancing shareholder value. He was closely partnering the CEO to drive business performance.</p> |
| Qualification | Chartered Accountants |
| Directorship held in other Companies | Gallantt Ispat Limited |
| Chairman/member of the committee of the Board of Directors of the Company | NIL |
| Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director | NIL |
| Number of shares held in the Company | NIL |
| No. of Board meetings attended during the financial year 2018-19 | N.A. |
| Relationship with other Directors, Manager and KMPs of the Company | No relation |

ITEM NO. 7**To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020**

The Board of Directors at its meeting held on August 13, 2019 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, 2020, at a remuneration amounting to Rs. 50,000 (Rupees Fifty 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. 7 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. 7 of this Notice.

The Board recommends the resolutions set forth in Item No. 7 for the approval of Members by way of an Ordinary Resolution.

ITEM NO. 8**Appointment of Mrs. Richa Bhartiya (DIN: 06905283) as an Independent Director**

Mrs. Richa Bhartiya was appointed on the Board of your company on 12th November, 2014, as Additional Director in the capacity as Non-Executive Independent Director and her appointment was confirmed at the Annual General Meeting held on 28th September, 2015. 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, Mrs. Richa Bhartiya was appointed as an Independent Directors on the Board of the Company for a period of 5 (Five). She will hold office as an Independent Directors of the Company up to November 11, 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 Mrs. Richa Bhartiya as an Independent Directors for Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from November 12, 2019 up to November 11, 2024. On the recommendation of the Nomination and Remuneration Committee, based upon the performance evaluation of Independent Directors and the Board considers that, given her backgrounds, rich experience of diversified sectors and contributions made by her during her tenure, the continued association of Mrs. Richa Bhartiya would be beneficial to the Company and it is desirable to continue to avail her services as Independent Directors.

Accordingly, the Board has recommended reappointment of Mrs. Richa Bhartiya as an Independent Director 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 November 12, 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.

Mrs. Richa Bhartiya is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Directors and she has also given declaration that she meets 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, Director meets the criteria of Independence and qualifies for appointment as an Independent Director.

Mrs. Richa Bhartiya has vast experience, knowledge and standing in the area of Accounts, Finance, Taxation and Corporate Law. She is very energetic, enthusiastic and actively engaged in providing her guidance from time to time, so as to run the operations of the Company in better and successful manner. Copy of draft letters of re-appointment of Mrs. Richa Bhartiya setting out the terms and conditions of appointment shall be available for inspection by the Members at the Registered Office of the Company.

Brief Profile of Mrs. Richa Bhartiya, Independent Director pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, is provided in the table below:

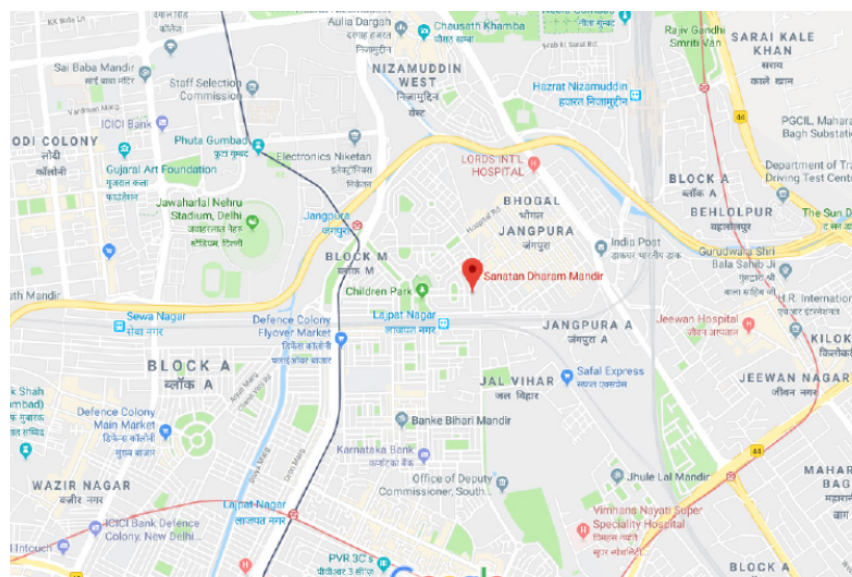
| | |
|--|---|
| Name of the Director | Mrs. Richa Bhartiya |
| Director Identification No. | 06905283 |
| Father's Name | Mr. Satya Narayan Tantia |
| Terms and Conditions of Appointment | As per the appointment letter dated 13.08.2019. |
| Remuneration drawn in financial year 2018-19 (including sitting fees, if any) | Rs. 42,000 (Sitting fees) |
| Remuneration proposed to be paid | Sitting Fees |
| Date of Birth | 04.05.1987 |
| Age | 32 Years |
| Date of first Appointment | 12.11.2014 |
| Brief Resume and expertise in specific functional areas | Mrs. Richa Bhartiya has vast experience, knowledge and standing in the area of Accounts, Finance, Taxation and Corporate Law. She is very energetic, enthusiastic and actively engaged in providing her guidance from time to time, so as to run the operations of the Company in better and successful manner. She has an overall experience of 5 years in Accounts, Finance, Taxation and Company Law Matter etc. |
| Qualification | Chartered Accountants |
| Directorship held in other Companies | NIL |
| Chairman/member of the committee of the Board of Directors of the Company | Chairperson: 1. Audit Committee Members: 1. Stakeholders Relationship Committee 2. Nomination and Remuneration Committee |
| Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director | NIL |
| Number of shares held in the Company | NIL |
| No. of Board meetings attended during the financial year 2018-19 | 7 |
| Relationship with other Directors, Manager and KMPs of the Company | No relation. |

For Gallant Metal Limited
Tarun Kumar Rathi
(Company Secretary)

Date: August 13, 2019

Place: Gorakhpur

Road Map of Venue of 15th Annual General Meeting



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the 15th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2019.

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 Samakhjali, Kutch, Gujarat.

WORKING RESULTS

(₹ in Lacs)

| Financial Results | Standalone | | Consolidated | |
|---------------------------------------|-----------------|-----------------|------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Income from operation | 1,06,378.53 | 84,558.04 | 1,06,378.53 | 84,558.04 |
| Other Operating Income | 540.21 | 476.23 | 540.21 | 476.23 |
| Finance Cost | 598.99 | 656.16 | 598.99 | 656.16 |
| Depreciation (including amortization) | 1,409.29 | 1,496.96 | 1,409.29 | 1,496.96 |
| Profit Before Tax | 10,999.51 | 6,933.53 | 10,999.52 | 6,933.53 |
| Tax Expenses (including Deferred Tax) | 3,836.86 | 2,000.24 | 3,836.86 | 2,000.24 |
| Profit After Tax | 7,162.65 | 4,933.29 | 7,162.66 | 4,933.29 |
| Share of Profit from Associate | - | - | 3,271.54 | 1,340.67 |
| Profit for the Period | 7,162.65 | 4,933.29 | 10,434.20 | 6,273.96 |

FINANCIAL ACCOUNTING AND ADOPTION OF IND AS

The Financial Statements for the FY 2018-19 are prepared under Ind AS. Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 on Consolidated Financial Statements is provided in the Annual Report.

BUSINESS OPERATION AND PERFORMANCE REVIEW

During the year Revenue from Operations stood at ₹ 1,06,378.53 Lacs as compared to ₹ 84,558.04 Lacs during the FY17-18. This Fiscal has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 25.81% 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 45.19% 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. Standalone and Consolidated Net Profit stood at ₹ 7,162.65 Lacs and ₹10,434.20 Lacs respectively. Standalone Earnings per Share (EPS) stood at ₹ 8.81 (face value of ₹ 10/- each) and Consolidated Earnings per Share (EPS) stood at ₹ 12.83 (face value of ₹ 10/- each) for the Financial Year ended March 31, 2019. There is no change in the nature of the business of the Company. Disclosure of financial statement of Associate Company M/s. Gallantt Metal Limited 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 an excellent performance of the Company in terms of both financial and operational performance.

DIVIDEND

During the year, your Directors recommended a Dividend of ₹ 0.25 (Paise Twenty Five only) per Equity Share on 8,13,22,324 Equity Shares of Rs. 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.sebi.gov.in).

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**.

Dividend as recommended by the Board of Directors, if declared at the forthcoming Annual General Meeting, shall be paid between September 30, 2019 and October 10, 2019.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 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, 2019, none of the Directors of the company hold instruments convertible into equity shares of the Company.

BUSINESS GROWTH

Your Company has a dedicated team of Management and Operating Personnel who have been instrumental in the growth of the business over the years. Your Directors believe that the Company has the potential to further scale up its business volumes and profitability and are in the process of identifying new avenues of growth and effective utilization of its existing resources.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, the work performed by the Internal, Statutory, Cost and Secretarial Auditors including Audit of Internal Financial Controls over financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed and that there are no material

departures;

- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability for the 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 fraud and other irregularities;
- (iv) they have prepared the Accounts for the financial year ended 31st March 2019 on a 'going concern' basis;
- (v) they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and are 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, 2019. 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 2019-20. The ISIN No. of the Company is INE297H01019.

CREDIT RATING

India Ratings and Research Private Limited has affirmed grade A (Stable) for credit rating of Term Loan and Grade A1 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 13th 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 2017-18 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 2018-19.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. U. Tiwari & Associates, Cost Accountants, as Cost Auditor of the Company for

conducting the Cost Audit for the financial year 2019-20 on a remuneration of Rs. 50,000/- plus out of pocket expenses as mentioned in the Notice of 15th Annual General Meeting.

A Certificate from M/s. U. Tiwari & Associates, Cost Accountants, has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 15th Annual General Meeting and the same is recommended for your consideration and ratification.

The Company has received consent from M/s. U. Tiwari & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2019-20 along with a certificate confirming their independence and arm's length relationship.

Company has made and maintained the cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

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. Board of Directors has reconstituted all the above Committees and the same has 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 summary of Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The Remuneration Policy is uploaded on the website of the Company. The web link to the Remuneration Policy is as under: https://www.gallantt.com/Investors_Corner/Gallantt_Metal_Limited/Nomination_and_Remuneration_Policy/Remuneration_Criteria_Non-Executive_Director-w.e.f.01.04.2019.

(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 and the same is also attached herewith as **Annexure - VI**.

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

(iii) Risk Management Policy

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

Company has formulated a policy on Risk Management. The Policy is formulated in compliance with Regulation 17(9)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and provisions of the Companies Act, 2013 ("the Act"), which requires the Company to lay down procedures about risk assessment and risk minimization.

The web link to the Risk Management Policy is as under: https://www.gallantt.com/Investors_Corner/Gallantt_Metal_Limited/Risk_Management_Policy-w.e.f.01.04.2019.

(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 under the link: <https://www.gallantt.com/InvestorsCorner/GallanttMetalLimited/WhistleBlowerPolicy-w.e.f.01.04.2019>.

SECRETARIAL AUDITORS

Mr. Anurag Fatehpuria, Practising Company Secretary, having office address at 23/1, Sita Nath Bose Lane, Salkia Howrah Pin-711101 has been appointed as Secretarial Auditors of the Company for the FY ended 31.03.2019. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure - VIII** and forms part of this report.

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

FAMILIARISATION PROGRAMME

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

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com under the Investors Corner of Gallantt Metal Limited under the link: [https://www.gallantt.com/Investors](https://www.gallantt.com/InvestorsCorner/GallanttMetalLimited/FamiliarizationProgrammeImparted)

[Corner/ Gallantt Metal Limited/Familiarization Programme Imparted](https://www.gallantt.com/InvestorsCorner/GallanttMetalLimited/FamiliarizationProgrammeImparted).

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 under the Investors Corner of Gallantt Metal Limited under the link: [https://www.gallantt.com/InvestorsCorner/ Gallantt Metal Limited/ Code of Conduct of BOD-w.e.f. 01.04.2019](https://www.gallantt.com/InvestorsCorner/GallanttMetalLimited/CodeofConductofBOD-w.e.f.01.04.2019).

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the "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. The full text of the Code is hosted on the Company's website www.gallantt.com under the Investors Corner of Gallantt Metal Limited under the link: [https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Code of Conduct of Insider Trading-w.e.f. 01.04.2019](https://www.gallantt.com/InvestorsCorner/GallanttMetalLimited/CodeofConductofInsiderTrading-w.e.f.01.04.2019)

NUMBER OF MEETINGS OF BOARD AND AUDIT COMMITTEE HELD DURING THE YEAR 2018-2019

Thirteen (13) meetings of the Board of Directors of the Company were conducted during the financial year and Ten (10) 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 |
|---------------------------------|-------------|---------------|
| Mrs. Richa Bhartiya | Chairperson | Independent |
| Mr. Jyotirindra Nath Dey | Member | Independent |
| Mr. Nitin Mahavir Prasad Kandoi | Member | Non-Executive |

Mr. Prasant Kankrania, Independent Director was holding the position of Chairperson of the Audit Committee. He has tendered his resignation from the Directorship of the Company effective from April 29, 2019 and consequently he also relinquished the positions in Audit Committee also. Audit Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Richa Bhartiya as a Chairperson, Mr. Jyotirindra Nath Dey and Mr. Nitin Mahavir Prasad Kandoi as Members of the Audit Committee.

Mr. Tarun Kumar Rathi acts as Secretary to the Audit Committee. Constitution of the Audit Committee is in compliance with requisite provisions of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws, rules and regulations.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company as on the date of this report is constituted of following Directors:

| Names | Designation | Category |
|---------------------------------|-------------|---------------|
| Mr. Nitin Mahavir Prasad Kandoi | Chairperson | Non-Executive |
| Mrs. Richa Bhartiya | Member | Independent |
| Mr. Jyotirindra Nath Dey | Member | Independent |

Mr. Prasant Kankrania, Independent Director was holding the position of member of the Stakeholders Relationship Committee. He has tendered his resignation from the Directorship of the Company effective from April 29, 2019 and consequently he also relinquished the positions in Stakeholders Relationship Committee also. Further, Stakeholders Relationship Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Richa Bhartiya as a Chairperson, Mr. Nitin Mahavir Prasad Kandoi and Mr. Jyotirindra Nath Dey as Members of the Stakeholders Relationship Committee.

Mr. Tarun Kumar Rathi acts as Secretary to the Committee. Constitution of the Stakeholder Relationship is in compliance with requisite provisions of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws, rules and regulations.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company as on the date of this report is constituted of following Directors:

| Names | Designation | Category |
|---------------------------------|-------------|---------------|
| Mr. Jyotirindra Nath Dey | Chairperson | Independent |
| Mrs. Richa Bhartiya | Member | Independent |
| Mr. Nitin Mahavir Prasad Kandoi | Member | Non-Executive |

Mr. Prasant Kankrania, Independent Director was holding the position of member of the Nomination and Remuneration Committee. He has tendered is their resignation from the Directorship of the Company effective from April 29, 2019 and consequently they also relinquished the positions in Stakeholders Relationship Committee also. Further, Nomination and Remuneration Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mr. Nitin Mahavir Prasad Kandoi as a Member in place of Mr. Prasant Kankrania.

Mr. Tarun Kumar Rathi acts as Secretary to the Committee. Constitution of the Nomination and Remuneration Committee is in compliance with requisite provisions of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws, rules and regulations.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company as on the date of this report is constituted of following Directors:

| Names | Designation | Category |
|-----------------------------------|-------------|-------------|
| Mr. Jyotirindra Nath Dey | Chairperson | Independent |
| Mr. Chandra Prakash Agrawal | Member | Executive |
| Mr. Dinesh Raghubirprasad Agarwal | Member | Executive |

Mr. Tarun Kumar Rathi acts as Secretary to the Committee. Constitution of the Nomination and Remuneration Committee is in compliance with requisite provisions of the Companies Act, 2013 and rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws, rules and regulations.

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 associate Companies in Form AOC-1 is attached as **Annexure-IX**.

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

In accordance with Section 136 of the Act, the financial statements of the Associate Companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.gallantt.com.

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

During the year no company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company. However, following are the Subsidiary and Associate Company of the Company:

| Sl. No. | Name | Status |
|---------|----------------------------|--|
| 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. |
| 2 | Gallantt Ispat Limited | Associate Company |

In terms of the Regulation 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy for determining material subsidiaries is placed on the website of the Company at www.gallantt.com under Investors Corner of Gallantt Metal Limited.

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

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operations. However, Members attention is drawn to

the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company www.gallantt.com under the link: [https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Whistle Blower Policy-w.e.f. 01.04.2019](https://www.gallantt.com/Investors%20Corner/Gallantt%20Metal%20Limited/Whistle%20Blower%20Policy-w.e.f.%2001.04.2019).

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, Chairperson,
Mr. Chandra Prakash Agrawal and
Mr. Dinesh Raghubirprasad 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 Raghubir Prasad Agrawal | 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, 2019 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-IX**.

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.

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-X**.

RISK MANAGEMENT

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

| 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. |
| Human Resources Risk | Your Company’s ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company. | By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming five years. |

| Key Risk | Impact to Gallantt Metal Limited | Mitigation Plans |
|--|---|--|
| 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. |

UNPAID AND UNCLAIMED AMOUNT OF DIVIDEND AND SHARE APPLICATION MONEY

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

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

Unpaid dividend amounts are not available for use by the Company. This Unclaimed Dividend if remained unpaid for seven years, shall be mandatorily transferred to the Investors Education and Protection Fund as required under Section 124 of the Companies Act, 2013 and rules made thereunder. Members who have not so far encashed their Divided Warrants for the financial years ended 31st March, 2018 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website www.gallantt.com and also uploaded on the website of IEPF viz. www.iepf.gov.in.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to IEPF:

No Unclaimed Dividend amount was transferred during the Financial Year 2018-19, to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF:

As required under Section 124 of the Companies Act, 2013, no Equity Shares were transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19.

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. Prashant Jalan (DIN: 06619739), liable to retire by rotation at the ensuing Annual General Meeting and eligible for re-election.

Mr. Ashtbhuj Prasad Srivastava (DIN: 08434115), Mrs. Richa Bhartiya (DIN: 06905283), Mr. Jyotindra Nath Dey (DIN: 00180925) and Mr. Dindayal Jalan (DIN: 00006882) are Independent Directors of the Company.

Mr. Prasant Kakrnan (DIN: 05241947) and Mr. Sandip Kumar (DIN: 08088624) have tendered their resignation from the Directorship of the Company effective from April 29, 2019. Mr. Ashtbhuj Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director on the Board of the Company effective from April 29, 2019. Further, at their meeting held on June 23, 2019, Board of Directors has appointed Mr. Dindayal Jalan (DIN: 00006882) as Additional Independent Directors on the Board of the Company.

The Independent Directors resigned as above have, along with the detailed reasons, also provided a confirmation that there is no other material reasons other than those provided in their resignation letters.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company has proposed the reappointment of Mrs. Richa Bhartiya as an Independent Director not liable to retire by rotation for Second Term of 5 (Five) consecutive years on the Board of the Company effective from November 12, , 2019.

Mrs. Richa Bhartiya meets the criteria of independence as prescribed under Section 149 of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mrs. Richa Bhartiya is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Director and she has also given declarations that she

meets 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). Also, in the opinion of the Board, Director meets the criteria of Independence and qualifies for appointment as an Independent Director.

The Company has appointed new Independent Directors on its Board within the permitted timeline so as to comply with the necessary provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. Presently, Company has optimum combination of Executive, Non-Executive and Independent Directors on the Board of the Company.

Appointment of Additional Independent Directors shall be ratified and confirmed by the Shareholders at the ensuing Annual General Meeting 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. Mr. Chandra Prakash Agrawal is a Chairman and Managing Director of the Company as per the provisions of the Companies Act, 2013. 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 is working in the capacity of Company Secretary and Compliance Officer.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013 and a certificate dated August 13, 2019 received from Company Secretary in Practice certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

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.

KEY MANAGERIAL PERSONNEL (KMP) WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

The details of the Key Managerial Personnel of the Company are provided as under:

| S.N. | Name of KMP | Designation of KMP |
|------|-----------------------------------|--------------------------------|
| 1. | Mr. Chandra Prakash Agrawal | Chairman and Managing Director |
| 2. | Mr. Dinesh Raghbir Prasad Agrawal | 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 |

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

TRANSFER TO RESERVES

Your Directors has not proposed to transfer any amount to the General Reserve.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2019, 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 under the Investors Corner of Gallantt Metal Limited.

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. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

SHIFTING OF REGISTERED OFFICE FROM KOLKATA (WEST BENGAL) TO NEW DELHI (NATIONAL CAPITAL TERRITORY OF DELHI)

Board of Directors of the Company has vide its resolution dated November 14, 2018 proposed the shifting of the Registered Office of the Company from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana). The proposal of the Board of Directors as above has been approved by the Shareholders at their Extra-ordinary General Meeting held on Friday, 4th January, 2019

The Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. Order of the Regional Director (ER), Ministry of Corporate Affairs passed as above, has been filed in E-form INC-28 with the Registrar of Companies, West Bengal on April 23, 2019. Further, pursuant to the provisions of Section 12(2) & (4) of the Companies Act, 2013 and Rule 25 and 27 of The Companies (Incorporation) Rules, 2014, the Company has filed E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company from 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700 069 (from the jurisdiction of Registrar of Companies, West Bengal) to “GALLANTT HOUSE”, I-7, Jangpura Extension, New Delhi – 110014 (to the jurisdiction of Registrar of Companies, Delhi and Haryana).

Following are the Corporate Details of the Company after shifting of Registered Office:

| Name of the Company | GALLANTT METAL LIMITED |
|---|---|
| New Corporate Identification Number (CIN) | L27109DL2005PLC350524 |
| Registered Office Address | “GALLANTT HOUSE”, I-7, Jungpura Extension, New Delhi, 110 014. |

| | |
|-----------------------------------|--|
| Contact Person for Correspondence | Mr. Tarun Kumar Rathi, Company Secretary and Compliance Office |
| Telefax No. | 011-45048767 |
| Email Id | csgml@gallantt.com |
| Website | www.gallantt.com |
| Head Office Address | “GALLANTT LANDMARK”, AD Tower Compound, Bank Road, Gorakhpur – 273001, U.P. |

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 up gradation 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/Management has received following awards, accolades and reconciliation:

- ◆ The "Top Challengers Award 2018" by Construction World Magazine.
- ◆ Cover Story in Steel 360 Magazine in May 2018 edition.

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, 2019 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 changes in the Share Capital during the year.

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 & Company, 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

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.

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;

| | |
|--|--|
| GALLANTT METAL LIMITED | <u>Registrar & Share Transfer Agent</u> |
| Regd-Office Address: "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014. | Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. |
| Telefax: 011-45048767 | Tel.: (033) 2280 6616 / 17 / 18 |
| Email-Id :csgml@gallantt.com | Email id: nichetechpl@nichetechpl.com |
| Website :www.gallantt.com | Website: www.nichetechpl.com |

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

(a) Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee (NRC) has been mandated to oversee and develop competency requirements for the Board based on the industry requirements and business strategy of the Company. The NRC reviews and evaluates the resumes of potential candidates for appointment of Directors and meets them prior to making recommendations of their nomination to the Board. Specific requirements for the position, including expert knowledge expected, are communicated to the appointee.

On the recommendation of the NRC, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Act and the Listing Regulations. The remuneration determined for Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Non-Executive Independent Directors and Non-Executive Non-Independent Directors are compensated by way of sitting fees for attending meetings of the Board and its Committees. The Executive Directors are not paid sitting fees; the Non-Executive Directors are entitled to sitting fees for attending the Board/Committee Meetings.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company. The Company's Policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act and Regulation 19 of the Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of the Annual Report.

EMPLOYEES WELFARE

The Company continues to focus on welfare and improving the quality of lives of its employees by providing educational assistance to their children, employee wellness sessions, periodic occupational health checks, spiritual peace by yoga classes, crèche and child care facilities, transport facilities to employees at subsidized rate or at no charge.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as “the Act”), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, together with the Auditors’ Report form part of this Annual Report. _

OTHER DISCLOSURES

- The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies;
- None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- In the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates for their unstinted co-operation and valuable support extended to the Company 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 13, 2019

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

Steps taken for conservation of energy:

Your Company continually taking necessary steps to absorb and adopt the latest technologies. These initiatives enable the facilities to become more efficient and productive as the company expands, thereby helps in energy conservation. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy Conservation continues to receive increased emphasis at all the units of the Company. Your Company's technical team monitors closely and vigorously various plants and equipments and suggests adoption of new and latest technology etc. and discuss to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving

the efficiency of generation and also in the reduction in energy consumption. Additionally, constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings to transpire going forward.

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

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

FORM -A

Disclosure of Particulars with respect to conservation of energy

| Particulars | 2018-19 | 2017-18 |
|--|-----------|-----------|
| A. Power & Fuel Consumption | | |
| 1 Electricity | | |
| (a) Purchased | | |
| Total Unit in Lacs KWH | 254.08 | 136.86 |
| Amount ₹ in Lakh | 2,316.29 | 1,333.33 |
| Rate Per Unit (₹) | 9.12 | 9.74 |
| (b) Own Generation (Net) | | |
| Total Units in Lakh KWH | 2,207.23 | 2,154.75 |
| Amount ₹ In Lakh | 10,059.91 | 9,770.60 |
| Rate per Unit | 4.56 | 4.53 |
| 2. Coal | | |
| Quantity- M.T. | 3,13,624 | 319,034 |
| Total Cost- ₹ in Lakh | 19,608.27 | 18,262.93 |
| Average rate - ₹ per M.T. | 6,252 | 5,724 |
| 3. Furnace Oil | | |
| Quantity (K. Ltrs.) | 226.992 | 187.896 |
| Total Cost (₹ Lakh) | 76.07 | 45.69 |
| Average Rate (₹ / K. Ltrs.) | 33,513 | 24,315 |
| B. Consumption per unit of production | | |
| 1. Electricity (Unit/M.T.) | | |
| Sponge Iron | 72 | 75 |
| SMS (Furnace and Concast) | 761 | 796 |
| Rolling Mills | 103 | 107 |
| 2. Coal (Kg/M.T.) | | |
| Power Plant (per 1000 KWH)(Net) | 609 | 696 |
| Rolling Mills (Kg/M.T.) | 13 | 13 |
| Sponge Iron (Kg/M.T.) | 864 | 861 |

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**

| | 2018-2019 (₹ in Lacs) | 2017-2018 (₹ in Lacs) |
|--|--------------------------|--------------------------|
| Raw Materials | 26,500.08 | 25,644.60 |
| Stores, Chemical and Packaging Materials | 17.41 | - |
| Capital Goods | - | - |
| Expenditure in foreign currency | 386.90 | 55.95 |
| 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 | 9.37 : 1 |
| Dinesh Raghubirprasad Agarwal | Whole-time Director | 152.97 : 1 |
| Prashant Jalan | Director (Plant-Operation) | 2.92 : 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.

- (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 | 5.88% |
| Dinesh Raghubirprasad Agarwal | Whole-time Director | 1,628.759% |
| Prashant Jalan | Director (Sales & Marketing) | 0.04% |
| 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 | 1.02% |
| Tarun Kumar Rathi | Company Secretary | 0.00% |

- (c) percentage increase in the median remuneration of employees in the financial year: -9.56%

- (d) number of permanent employees on the rolls of company; 947

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

The profit before tax for the financial year ended March 31, 2019 increased by 58.64% and the profit after tax for the financial year ended March 31, 2019 increased by 45.19%, whereas the increase in median remuneration is -9.56%. The average increase in median remuneration is in line with the performance of the company.

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

The total remuneration of KMP increased by 450.86%, whereas the profit before tax increased by 58.64% and the profit after tax increased by 45.19%.

- (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:

7.87% (Non-Managerial personnel) and -1.31% (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, 2019 increased by 58.64% and the profit after tax for the financial year ended March 31, 2019 increased by 45.19%, whereas the increase in median remuneration is -9.56%. The average increase in median remuneration is in line with the performance of the company. |
| Dinesh Raghubirprasad Agarwal | Whole-time Director | 1,628.759% | |
| Prashant Jalan | Director (Sales & Marketing) | 0.04% | |
| Sandip Kumar Agarwal | Chief Financial Officer | 1.02% | |
| Tarun Kumar Rathi | Company Secretary | 0.00% | |

(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. No. | Employee Name | Father Name | D.O.B | Age | Educational Qualification | Date of Joining | Salary | Last Employment | Designation | Department | Relaiton with Directors | Experince |
|---------|----------------------------------|------------------------|------------|-----|--|-----------------|---------|--|--------------------------|----------------|-------------------------|-----------|
| 1 | Anmol Anand | Ramlal Anand | 12/03/1959 | 60 | Bachelor of Engineering | 01/04/2014 | 4851560 | Greensol Power Syatem Pvt Ltd, | President | Power Plant | No | 38 |
| 2 | Mahesh Kumar Hukumchand Gupta | Hukmichand Gupta | 01/08/1957 | 62 | Bachelor of Commerce | 01/04/2004 | 2859912 | Ganesh Laxmi Proccesr Pvt. Ltd, Surat | President | Administration | No | 38 |
| 3 | Balvinder Darshan Ram Dhiman Rai | Darshan Ram Rai | 14/04/1957 | 62 | Bachelor of Engineering (Electrical) | 09/05/2014 | 2708494 | K.R. Pulp & Pappers Ltd, Sahajapur. | V.P. | Power Plant | No | 37 |
| 4 | Akash Agarwal | Dinesh R Agarwal | 02/05/1989 | 30 | BBA | 01/06/2017 | 2664918 | Ganesh Laxmi Proccesr Pvt. Ltd, Surat | | Administration | Yes | 7 |
| 5 | Prashant Bhardwaj | Subhash Chandra Sharma | 15/09/1978 | 41 | PGDBM | 01/07/2013 | 2234889 | Kamdhenu Ispat Ltd | V.P. (Sales) | Sales | No | 18 |
| 6 | Arup Chakraborty | Asitranjan Chakraborty | 02-01-1971 | 48 | Diploma Mechanical | 01-06-2016 | 1925669 | L & T Limited | | Administration | No | 25 |
| 7 | Veeraswami Rangaiah Kesagani | Rangaiah Kesagani | 24/06/1979 | 39 | B. Tech, Metallurgy | 04/01/2016 | 1833485 | Baba Akila Sai Jyoti Industries Pvt. Ltd | AGM, Process | Sponge Plant | No | 14 |
| 8 | Parathsaradhi Sekhar Rao Dulla | Sekhar Rao Dulla | 12/03/1982 | 37 | B. Tech, Metallurgy | 01/01/2016 | 1776112 | Baba Akila Sai Jyoti Industries Pvt. Ltd | General Manager, Process | Sponge Plant | NO | 14 |
| 9 | Rampratap Singh | Hanumat Singh | 01-10-1959 | 60 | B.A. | 12-12-2017 | 1750828 | Shyam DRI Jarsiguda | General Manager, Process | Furnaces | NO | 35 |
| 10 | Awdhesh Mamchand Sharma | Mamchand Sharma | 12/10/1970 | 50 | ITI/Diploma/ B.E. Mechanical Engineering | 15/12/2014 | 1631463 | SMC Power Generation Ltd, Hirma | General Manager | Rolling Mill | No | 21 |
| 11 | Ravindra Srivastava | NARENDRABAHADUR SINGH | 27-07-1952 | 67 | Diploma/B.E. Mechanical Engineering | 01-02-2016 | 1530362 | ITC RAIPUR | AGM | PROJECT | NO | 41 |
| 12 | Kripal Singh | Harnam Singh | 15-05-1966 | 53 | Diploma Mechanical | 27-06-2014 | 1508141 | Electrotherm India Ltd | Mill Forman | Rolling Mill | No | 28 |

ANNEXURE - IV TO THE DIRECTORS' REPORT

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

Rs. In Lacs

| Sl. No. | 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 yeild of 1/3/5/10 year Government Security at the time of extending the loan |
|---------|--------------|--------------------------|-------------------------------------|--------------------------|--|------------------|------------------|----------|--|
| 1 | 06-04-2018 | 31.03.18 | - | GL Steel & Power Pvt Ltd | Principal Business Activity | 80.00 | 9.25 | NIL | 7.175 |
| 2 | 21-04-2018 | 31.03.18 | - | GL Steel & Power Pvt Ltd | Principal Business Activity | 22.50 | 9.25 | NIL | 7.797 |
| 3 | 23-04-2018 | 31.03.18 | - | Nihon Impex Pvt Ltd | Principal Business Activity | 500.00 | 9.25 | NIL | 7.769 |
| 4 | 26-06-2018 | 12.05.18 | - | A D Estate Developers | Principal Business Activity | 1200.00 | 9.25 | NIL | 7.849 |
| 5 | 08-08-2018 | 12.05.18 | - | A D Estate Developers | Principal Business Activity | 200.00 | 9.25 | NIL | 7.793 |
| 6 | 16-08-2018 | 12.05.18 | - | Nihon Impex Pvt Ltd | Principal Business Activity | 500.00 | 9.25 | NIL | 7.876 |
| 7 | 27-08-2018 | 12.05.18 | - | A D Estate Developers | Principal Business Activity | 200.00 | 9.25 | NIL | 7.898 |
| 8 | 06-11-2018 | 12.05.18 | 27.09.18 | Gallantt Ispat Ltd | Principal Business Activity | 200.00 | 9.25 | NIL | 7.811 |
| 9 | 12-11-2018 | 12.05.18 | 27.09.18 | Gallantt Ispat Ltd | Principal Business Activity | 400.00 | 9.25 | NIL | 7.821 |

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, 2019

OVERVIEW OF THE ECONOMIC ENVIRONMENT

GLOBAL ECONOMY

Global growth is expected to remain at 3.0 per cent in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks.

Growth in emerging market and developing economies is expected to stabilize next year as some countries move past periods of financial strain, but economic momentum remains weak. Emerging and developing economy growth is constrained by sluggish investment, and risks are tilted to the downside. These risks include rising trade barriers, renewed financial stress, and sharper-than-expected slowdowns in several major economies.

Growth among emerging market and developing economies is projected to fall to a four-year low of 4% in 2019 before recovering to 4.6% in 2020. A number of economies are coping with the impact of financial stress and political uncertainty. Those drags are anticipated to wane and global trade growth – which is projected to be the weakest in 2019 since the financial crisis a decade ago -- is expected to recover somewhat.

INDIAN ECONOMY

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study. India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favorable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$

385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

India is forecast to become the world's fifth largest economy in 2019, reaching a total GDP size exceeding USD 3 trillion, and overtaking its former colonial ruler, the United Kingdom. By 2025, Indian GDP is also forecast to surpass Japan, which will make India the second-largest economy in the Asia-Pacific region," it said.

As India continues to ascend in the rankings of the world's largest economies, its contribution to global GDP growth momentum will also increase. India will also play an increasingly important role as one of the Asia-Pacific region's major economic growth engines, helping to drive Asian regional trade and investment flows.

While manufacturing sector's share in the GDP is still at 18 per cent against the target of 25 per cent, around 7.5 million persons are projected to join the Indian workforce per year on average over the next two decades.

INDUSTRY STRUCTURE AND DEVELOPMENTS

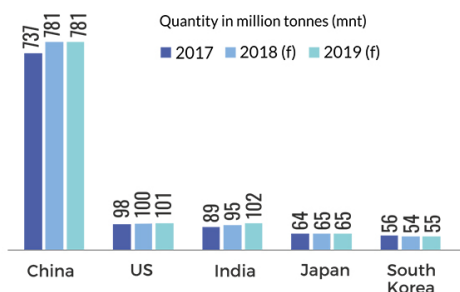
GLOBAL STEEL DEMAND

- After a contraction of -3.0% reported in 2015, global steel demand is continuously growing and as we are entering in 2019 the demand for steel is expected to remain on the positive side. While the robustness of steel demand recovery seen in 2017 was carried forwarded to 2018, risks have also increased. Rising trade tensions and volatile currency movements are increasing uncertainty in the global steel industry.
- The Short Range Outlook of the World Steel Association (world steel) projected that global steel demand will reach 1,657.9 Million Tonnes (mnt) in 2018, an increase of 3.9% over 2017. For year 2019, it is forecasting that global steel demand will grow

by 1.4% reaching to 1,681.2 mnt.

- The report is also forecasting that the demand for steel in the developed world remains healthy, while in the developing countries steel demand will continue to recover amid challenges.

Top 5 countries with highest steel demand: -



f: forecast | Figures till October 2018, finished steel products

➤ **Highest Y-o-Y steel consumption growth for India-**

- India’s steel demand is increasing every consecutive year and in 2019, it is being forecasted by world steel that it will overtake the United States in steel demand. The demand will be supported by improving investment and infrastructure programmes.

INDIAN STEEL SECTOR

Rise in infrastructure development and automotive production are driving growth in the metals and mining sector in India. India has vast mineral potential with mining leases granted for longer durations of 20 to 30 years. India produces 95 minerals– 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals).

Mineral production in India grew at a CAGR of 5.72 per cent between 2013-14 and 2017-18E to reach US\$ 17.62 billion in 2017-18.

India holds a fair advantage in cost of production and conversion costs in steel and alumina. The country is the 3rd largest steel producer with production of 101.4 million tonnes of crude steel in 2017. Crude Steel and Finished Steel production during 2017-18 was 103.13 million tonnes and 104.98 million tonnes respectively. India is the largest producer of sheet mica in the world and has the 7th largest bauxite reserves at around 2,908.85 million tonnes in FY17. Iron ore production in the country increased from 129.32 million tonnes in FY15 to 200.96 million tonnes in FY18. It is forecasted to grow at the rate of 5 per cent in FY19. In 2018-19, exports of iron and steel stood at US\$ 9.74 billion.

National Mineral Policy 2019 launched for transparency,

better regulation and enforcement, balanced social and economic growth into the sector.

The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the mining sector and exploration of metal and non-metal ores under the automatic route, which will propel growth in the sector. Power and cement industries also aiding growth in the metals and mining sector. Demand for iron and steel is set to grow, given the strong growth expectations for the residential and commercial building industry. By March 2019, 105 mineral blocks are expected to be auctioned.

HIGHLIGHTS OF INDIA’S STEEL INDUSTRY

- India was the world’s second largest steel producer, as of 2018. The country is slated to surpass USA to become the world’s second largest steel consumer in 2019. In FY18, India produced 104.98 million tonnes (MT) and 103.13 MT of finished steel and crude steel, respectively. Crude steel production between April 2018-February 2019(P) reached 97.15 million tonnes.
- India was also a net exporter of steel in FY18. Exports and imports of finished steel stood at 6.36 MT and 7.84 MT respectively in FY19 (P).
- Steel consumption is expected to grow 7.5 per cent year-on-year to 95.4 MT in 2018. India’s steel production is expected to increase from 103.13 MT in FY18 to 128.6 MT by 2021.
- The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US\$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).
- India’s per capita consumption of steel grew to 68.9 kgs, during 2017-18. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31.

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry.

Global steel demand grew by 2.1%* in CY 2018, largely driven by China, coupled with an investment-led recovery in the advanced economies. Global crude steel production reached 1,808.6 million tonnes (MnT) in CY 2018, up 4.6% from CY 2017 levels, pushing capacity utilisation above 70%. Steel spreads were stronger in the first half of CY 2018, driven by strong economic

activity and further supported by ongoing trade tensions between major economies.

In the second half of CY 2018, moderation in the global economic growth led to softening of steel prices, thereby adversely impacting the spreads.

We, at Gallantt Metal, has the following production data of the Fiscal 2018-19 under the Steel Segment:

| Steel Segment products wise | Production (in MT) |
|-----------------------------|--------------------|
| Sponge Iron | 2,03,827.000 |
| Billets | 2,69,872.926 |
| M. S. Bar | 2,46,320.120 |
| Missrolled Bar | 4,598.080 |

OPPORTUNITIES AND THREATS

Steel industry or steel per se has huge demand all over the globe which makes it all the more difficult to fulfil that need. There are many benefits and opportunities for the steel industry. Many countries follow similar protocol which leads to the belief that they can make quite a bit of profit and still trade in order to gain more. Some of the most common opportunities are:

- Trade and Investment
- Bilateral Trade Agreements
- Export Support Mechanisms
- Local Content Levels
- Trade Finance

These are some of the self-explanatory opportunities that you cannot miss out in a steel industry.

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

marked at 5%, which is the lowest slab under GST, could help to lower input costs. Together, with a substantial slash in transport costs due to unified and standard tax rate under GST, this is likely to help steel companies keep steel prices stable.

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

The availability of raw material at right price remains a concern for the steel sector and then there is the threat of cheap dumping from China, say experts and industry players. The government, however, is keeping a brave face and its focus areas for the new year include increasing per capital steel consumption, finding new markets for India-made steel and a shift in the industry's attention towards production of special steel. 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.

Threats and Risks

The availability of raw material at right price remains a concern for the steel sector and then there is the threat of cheap dumping from China, say experts and industry players. The government, however, is keeping a brave face and its focus areas for the new year include increasing per capital steel consumption, finding new markets for India-made steel and a shift in the industry's attention towards production of special steel.

Market is possible when consumption also increases. Our focus in the new year will be to increase the per capita steel consumption India and steel sector is considered very important for the overall economic health of the country, given its use in a number of key industries like automobile, process plants, capital goods and defence equipments.

Iron ore and coking coal are two key raw materials used in steel manufacturing, while coal is also used in a big way

by captive power plants to generate power. According to Indian Captive Power Producers Association (ICPPA), whose members include players from key sectors such as steel and aluminium, most captive power producers are facing severe shortage of the fuel which may lead to closure of plants. The coal-based steel, power and aluminium plants continue to face supply-related issues due to unavailability of adequate railway rakes.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Major Product-wise Turnover

| | FY 2018-19 | | FY 2017-18 | |
|--------------|---------------|-------------|--------------|-------------|
| | Qty (MT/Unit) | Rs. in Lacs | Qty (MT) | Rs. in Lacs |
| Steel (MT)* | 2,67,257.610 | 1,03,527.48 | 2,43,783.017 | 82,284.46 |
| Power (Unit) | 26,70,65,508 | 19,961.21 | 12,83,31,911 | 8,342.62 |
| Unallocable | - | 204.50 | - | 152.89 |

**Company has Integrated Steel Plant facilities at Samakhiyali, Kutch, Gujarat. Being an Integrated Steel Plant, Company, during the manufacturing process of end products of TMT Bars also manufactures Sponge Iron, Billets etc.*

OUTLOOK

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent¹ in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

The Indian economy is likely to sustain the rebound in FY2018-19 – growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy, and possibly the third-largest in 25 years.

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation,

favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

RISK AND CONCERNS

Market is possible when consumption also increases. Our focus in the new year will be to increase the per capita steel consumption India and steel sector is considered very important for the overall economic health of the country, given its use in a number of key industries like automobile, process plants, capital goods and defence equipments.

Iron ore and coking coal are two key raw materials used in steel manufacturing, while coal is also used in a big way by captive power plants to generate power. According to Indian Captive Power Producers Association (ICPPA), whose members include players from key sectors such as steel and aluminium, most captive power producers are facing severe shortage of the fuel which may lead to closure of plants. "The coal-based steel, power and aluminium plants continue to face supply-related issues due to unavailability of adequate railway rakes.

There are multiple threats that a company like ours faces on a continuous basis. The swings on commodity prices, the volatility of several currencies across the world, the economic conditions of countries where our suppliers and buyers operate from and inter country trade issues are some of the uncertainties that we face frequently.

The company mitigates these risks by timely managerial intervention and by carefully to put in place robust risk mitigation strategies and incorporate agility in operations to meet temporary headwinds and create opportunities of growth.

New entities posing competition are taking shape on a local level. To overcome this risk, the Company strives to keep its feet grounded on its core values and satisfy customers' need. The Company believes that if it keeps its customers happy, then it can deal with any competition.

Availability of Raw materials like Iron Ore, Coal etc. at a competitive cost is another area of concern for the Company. High cost of iron ore and coal impacting the EBITDA margin. Availability and cost of required grade of Iron ore are impacted by Global movement and parity of landed cost considering price, freight, tariff and exchange rates and also Domestic demand-supply gap, constraints and vendor actions. All these concern as well as Government policies and their impact on raw materials availability are being tracked regularly.

A safe and healthy working environment for all employees is the number one priority for every world steel member. Our policy is to help all our members reach our goal of an accident-free workplace.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has well established internal control system commensurate with the size of the Company. 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. 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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Revenue from Operations for the current year is 1,06,378.53 Lacs as compared to Rs. 84,558.04 Lacs in the previous year. The Profit before Tax for the year under review is Rs. 10,999.51 Lacs as against Rs. 6,933.53 Lacs in the previous year. Profit after Tax during FY 2018-19 stood at Rs. 7,162.65 Lacs as against Rs. 4,933.29 Lacs in the previous year.

Comparative chart of Segment wise Revenue and Profits are as under:

| SEGMENT REVENUE (Rs. In lacs) | | | |
|-------------------------------|-------------|-----------|-----------|
| | 2019 | 2018 | % Changes |
| Steel | 1,06,378.53 | 84,558.04 | 25.81 |
| Power | 15,177.64 | 14,824.20 | 2.38 |
| Unallocated | 540.21 | 476.23 | 13.43 |
| SEGMENT RESULTS (₹ In lacs) | | | |
| | 2019 | 2018 | % Changes |
| Steel | 5,962.37 | 2,139.62 | 178.66 |
| Power | 5,095.92 | 4,973.84 | 2.45 |
| Unallocated | 540.21 | 476.23 | 13.43 |

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER

OF PEOPLE EMPLOYED

The Company adopted various governmental skill developmental programs to build and enhance capabilities and leading to enhanced motivation levels of the human resources. Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him along but they should be shared equally and generously with his workers.

Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastage of man, material and machines are reduced to the minimum and thus national interest is protected.

The Company maintained harmonious industrial relations in all units of the Company during the financial year 2018-19.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, the significant changes in the financial ratios, compared to the previous year which are more than 25% as compared to the previous year, are summarised below:

| Financial Ratio | FY 2018-19 | FY 2017-18 | Change (%) | Reason for change |
|-------------------------|------------|------------|------------|---|
| Debtors Turnover | 24.15 | 20.00 | 20.75 | - |
| Inventory Turnover | 8.27 | 6.56 | 26.20 | Capacity expanded of various units and major turnover increased from the current fiscal. |
| Interest Coverage Ratio | 33.96 | 15.77 | 135.31 | Operating profit increased during the year due to capacity utilisation of expanded capacity and overall better performance of steel industry. |
| Current Ratio | 2.00 | 1.63 | 22.97 | Due to amalgamation of wholly owned subsidiary and better profitability during the year, outside liabilities decreased significantly. |

| Financial Ratio | FY 2018-19 | FY 2017-18 | Change (%) | Reason for change |
|-----------------------------|------------|------------|------------|---|
| Debt Equity Ratio | 0.17 | 0.36 | -52.50 | Due to amalgamation of wholly owned subsidiary the equity increased substantially |
| Operating Profit Margin (%) | 10.60 | 8.71 | 21.76 | - |
| Net Profit Margin (%) | 6.70 | 5.80 | 15.47 | - |
| Return on Net Worth (%) | 14.88 | 11.97 | 24.31 | Operating profit increased during the year due to capacity utilisation of expanded capacity and over all performance of steel Industry. |

CAUTIONERY STATEMENT

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. The Company assures no responsibility to publicly modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

On behalf of the Board

Place: Gorakhpur
Date: August 13, 2019

C. P. Agrawal
Chairman

ANNEXURE - VI 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 Rs. 500 Crores or more or Turnover of Rs. 1,000 Crore or more or Net Profit of Rs. 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 :-

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

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

LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

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

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills

especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

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

AREA OF ACTIVITY

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in the State of Uttar Pradesh, Bihar, West Bengal, 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 VII 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 effectives, 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 record 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 - VII TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

- Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website www.gallantt.com

The focus areas of CSR Policy are as follows

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee:

- Promoting education including special education especially among children, women, elderly and the differently abled and livelihood enhancement projects in backward areas;
 - Promoting health care including preventive health care and sanitation and making available safe drinking water;
- Composition of the CSR Committee: Mr. Jyotirindra Nath Dey, Chairman, Mr. Chandra Prakash Agrawal and Mr. Dinesh Raghubir Prasad Agarwal.
 - Average net profit of the Company for the last three financial years: ₹ 4,706.59 Lacs.
 - Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 94.13 lacs.
 - Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year: ₹ 101.79 Lacs
 - Amount unspent, if any,: NIL
 - Manner in which the amount spent during the financial year is detailed below:

| Sl. No. | CSR Project or activity identified | Sector in which the project is covered | Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken | Amount outlay (Budget project or programs wise) | Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency (give details of implementing agency) |
|---------|---|--|---|---|--|---|---|
| 1. | Contribution for Model Day Dchool at, Samakhyali, Kutch, Gujarat | Promoting Education etc. | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution (District Education Office, Bhuj, Gujarat). | An amount of Rs. 15.000 Lacs has been paid for the programme. | Rs. 15.00 Lacs* | Rs. 264.16 Lacs* | Direct |
| 2. | Water Pond construction and related activities for the benefit of villagers under the Government's "SUJLAM SUFLAM YOJNA". | Rural Development Programme. | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. (Area of Programme includes Adhoj, Samakhyali, Gharana, Ambaliyara etc., Gujarat) | An amount of Rs. 4.61 Lacs has been paid for the programme. | Rs. 4.61* Lacs | Rs. 268.77 Lacs* | Direct |
| 3. | Building Construction in the Rural area for the benefits of the villagers | Rural Development Programme. | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. | An amount of Rs. 5.00 Lacs has been paid for the programme. | Rs. 5.00* Lacs | Rs. 273.77 Lacs* | Direct |
| 4. | Contribution for Animal welfare | Animal protection and welfare | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. | An amount of Rs. 2.57 Lacs has been paid for the programme. | Rs. 2.57* Lacs | Rs. 276.34 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. | Medical Camp at Samakhlyali village for the benefit of the villagers. | Promoting health care including preventive health care and sanitation | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. | An amount of Rs. 1.64 Lacs has been paid for the programme. | Rs. 1.64* Lacs | Rs. 277.98 Lacs* | Direct |
| 6. | Construction of Toilet work in the village Ramdevpur, rural area of Gujarat | Promoting health care including preventive health care and sanitation | Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. | An amount of Rs. 2.97 Lacs has been paid for the programme. | Rs. 2.97* Lacs | Rs. 280.95 Lacs* | Direct |
| 7. | The Company is promoting Education Services for economically weaker sections through GALLANTT FOUNDATION TRUST | Promoting Education | Programme is undertaken in the local area of Gorakhpur, U.P. | An amount of Rs. 35.00 Lacs has been paid for the programme. | Rs. 35.00* Lacs | Rs. 315.95 Lacs* | Amount has been contributed to the following implementing agency: GALLANTT FOUNDATION (TRUST) for the Financial Year 2018-19. Address of Trust: Bargadwa, Vikas Nagar, Gorakhpur, Uttar Pradesh – 273001, India. |
| 7. | Promoting health care including preventive health care and sanitation through SHREE AGGARSAIN NORTH EX WELFARE SOCIETY | Promoting health care including preventive health care and sanitation | Programme is undertaken in the local area of New Delhi, U.P. | An amount of Rs. 35.00 Lacs has been paid for the programme. | Rs. 35.00* Lacs | Rs. 350.95 Lacs* | Amount has been contributed to the following implementing agency: SHREE AGGARSAIN NORTH EX WELFARE SOCIETY (Non-Profit Organisation/Society) for the Financial Year 2018-19. Address of Society: BD 5, Vishaka Enclave, Pitampura, New Delhi – 110034 India. |

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 but the amount was not spent by the NGO. However, 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: 13.08.2019

ANNEXURE - VIII TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[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
"GALLANTT HOUSE"
I-7, Jangpura Extension
New Delhi – 110014

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: L27109DL2005PLC350524] (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, 2019, 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, 2019 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 (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. 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 to the extent of securities issued.
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- Not Applicable as the Company has not done any buyback of its securities during the financial year under review.
- vi) Other Laws specifically applicable to the Company as under:
1. The Air (Prevention and Control of Pollution) Act, 1981
 2. The Water (Prevention and Control of Pollution) Act, 1974
 3. The Environment (Protection) Act, 1986
 4. The Factories Act, 1948
 5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 6. Employees' State Insurance Act, 1948
 7. Equal Remuneration Act, 1976
 8. The Minimum Wages Act, 1948
 9. The Payment of Wages Act, 1936
 10. The Payment of Bonus Act, 1965
 11. The Legal Metrology Act, 2009
 12. The Maternity Benefit Act, 1961 and
 13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- vi) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department:
- (a) Mines and Minerals (Development Regulation) Act, 1957 and other Acts/Rules as applicable to Mining activities;
 - (b) The Electricity Act, 2003 and rules issued thereunder;
 - (c) National Tariff Policy;
 - (d) Indian Boilers Act. 1923 and rules issued thereunder;
 - (e) Explosives Act, 1884 and rules issued thereunder;
 - (f) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
 - (g) Applicable Labour laws and rules issued thereunder;
 - (h) Applicable Environment laws and rules issued thereunder;
 - (i) Applicable direct & indirect tax laws and rules issued thereunder;

- (j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

- (i) Secretarial Standards 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 pursuant to the The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs.

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. Board of Directors of the Company has vide its resolution dated November 14, 2018 proposed the shifting of the Registered Office of the Company from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana). The proposal of the Board of Directors as above has been approved by the Shareholders at their Extra-ordinary General Meeting held on Friday, 4th January, 2019.

The Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. The Company has filed E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company from 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700 069 (from the jurisdiction of Registrar

of Companies, West Bengal) to “GALLANTT HOUSE”, I-7, Jangpura Extension, New Delhi – 110014 (to the jurisdiction of Registrar of Companies, Delhi and Haryana).

We further report that during the audit year the Company has sought the approval of its members for at the Extra-ordinary General Meetings (EGM):

- Shifting of Registered Office from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana and alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.

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

Place: Gorakhpur
Date: 13.08.2019

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

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

Annexure A

To

The Members,

GALLANTT METAL LIMITED

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

1. 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.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/ Company Secretary/Managing Director, and taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour Laws & Environment Laws.
8. We further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

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 2019 but before issue of the Report.

Place: Gorakhpur
Date: 13.08.2019

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

ANNEXURE - IX 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 share-holding |
| 1 | GL Steel and Power Limited | NA | NA | 5.88 | (3.15) | 216.01 | 216.01 | 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

| | |
|---|-------------------------------|
| Name of Associate | Gallantt Ispat Limited |
| 1. Latest audited Balance Sheet Date | 31.03.2019 |
| 2. Shares of Associate held by the company on 31.03.2019 | GALLANTT ISPAT LIMITED |
| No. | 7,25,19,920 |
| Amount of Investment in Associate | 4,260.20 lakhs |
| Extend of Holding % | 25.68% |
| 3. Description of how there is significant influence | |
| 4. Reason why the associate/joint venture is not consolidated | By way of Ownership |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | Consolidated |
| 6. Profit / Loss for the year | 15,359.57 |
| i. Considered in Consolidation | |
| ii. Not Considered in Consolidation | 3,271.54 lakhs |
| | Nil |

As per our Report of even date
For **ALPS & Company**
Chartered Accountants
FRN. 001739C

(A. K. Khetawat)

Partner
Membership No.: 517195
Place : Gorakhpur
Dated : 13.08.2019

Chandra Prakash Agrawal
Dinesh Raghbir Prasad Agarwal
Sandip Kumar Agarwal
Tarun Kumar Rathi

Chairman & Managing Director
Whole-time Director
Chief Financial Officer
Company Secretary

ANNEXURE - X TO THE DIRECTORS' REPORT

Extract of Annual Return as on the financial period ended on 31st March 2019

[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 | L27109DL2005PLC350524 |
| 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 | "GALLANTT HOUSE", I-7, Jungpura Extension, New Delhi, 110 014." |
| Whether listed Company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Registrars & Share Transfer Agents Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com Website: www.nichetechpl.com |

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 | 87.13 |
| 2 | Power | 3510 | 12.43* |

*Out of the Total Revenue from Operations and other Operating Income for the Financial Year 2018-19 ₹ 1,22,096.38 Lacs, Captive Power Plant contributes ₹ 15,177.64 Lacs (Approx. 12.43%).

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. N. | Name and Address of the Company | CIN/GIN | Holding/ Subsidiary/ Associate | % of Shares | Applicable Section |
|-------|---------------------------------|-----------------------|--------------------------------|-------------|---|
| 1. | Gallantt Ispat Limited | L27109DL2005PLC350523 | Associate | 25.68 | Section 2(6) of the Companies Act, 2013 |
| 2. | GL Steel and Power Limited | U27100GJ2007PLC052427 | Subsidiary | 100 | Section 2(7) of the Companies Act, 2013 |

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

A. 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 | |
| A. PROMOTERS | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual / HUF | 4514132 | 0 | 4514132 | 5.551 | 6140170 | 0 | 6140170 | 7.550 | 1.999 |
| b) Centran Government | | | | | | | | | |
| c) State Government | | | | | | | | | |
| d) Bodies Corporate | 46802095 | 0 | 46802095 | 57.551 | 48546023 | 0 | 48546023 | 59.696 | 2.145 |
| e) Banks / Financial Institutions | | | | | | | | | |
| f) Any Other | | | | | | | | | |
| Sub-total (A)(1) | 51316227 | 0 | 51316227 | 63.102 | 54686193 | 0 | 54686193 | 67.246 | 4.144 |
| (2) Foreign | – | – | – | – | – | – | – | – | – |
| a) NRIs - Individuals | – | – | – | – | – | – | – | – | – |
| b) Other - Individuals | – | – | – | – | – | – | – | – | – |
| c) Bodies Corporate | – | – | – | – | – | – | – | – | – |
| d) Banks / Financial Institutions | – | – | – | – | – | – | – | – | – |
| e) Any Other | – | – | – | – | – | – | – | – | – |
| Sub-total (A)(2) | 0 | 0 | 0 | 0.000 | 0 | 0 | 0 | 0.000 | 0.000 |
| Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 51316227 | 0 | 51316227 | 63.102 | 54686193 | 0 | 54686193 | 67.246 | 4.144 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (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) | – | – | – | – | – | – | – | – | – |
| Alternate Investment Funds | | | | | 16971 | 0 | 16971 | 0.021 | 0.021 |
| Sub-total (B)(1) | 0 | 0 | 0 | 0.000 | 16971 | 0 | 16971 | 0.021 | 0.021 |

| 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 | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 21824554 | 0 | 21824554 | 26.837 | 18467094 | 0 | 18467094 | 22.709 | -4.128 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 3763235 | 531 | 3763766 | 4.628 | 3714373 | 31 | 3714404 | 4.568 | -0.060 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 4071565 | 0 | 4071565 | 5.007 | 4096959 | 0 | 4096959 | 5.038 | 0.031 |
| c) Others Specify | | | | | | | | | |
| 1. NRI | 117698 | 0 | 117698 | 0.145 | 170513 | 0 | 170513 | 0.210 | 0.065 |
| 2. Overseas Corporate Bodies | | | | | | | | | |
| 3. Foreign Nationals | | | | | | | | | |
| 4. Clearing Members | 223514 | 0 | 223514 | 0.275 | 165190 | 0 | 165190 | 0.203 | -0.072 |
| 5. Trusts | 5000 | 0 | 5000 | 0.006 | 5000 | 0 | 5000 | 0.006 | 0.000 |
| 6. Foreign Bodies - D.R. | | | | | | | | | |
| Sub-total (B)(2) | 30005566 | 531 | 30006097 | 36.898 | 26619129 | 31 | 26619160 | 32.733 | -4.165 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | 30005566 | 531 | 30006097 | 36.898 | 26636100 | 31 | 26636131 | 32.754 | -4.144 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A+B+C) | 81321793 | 531 | 81322324 | 100.000 | 81322293 | 31 | 81322324 | 100.000 | 0.000 |

B. Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % of change in shareholding during the year |
|--------|-------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total shares of the company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total shares of the company | % of Shares Pledged/encumbered to total shares | |
| 1 | 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 | 2307251 | 2.837 | 9.102 | 2.579 |
| 6 | GALLANTT ISPAT LIMITED | 39462895 | 48.527 | 0.000 | 39462895 | 48.527 | 0.000 | 0.000 |

| 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/encumbered to total shares | No. of Shares | % of total shares of the company | % of Shares Pledged/encumbered to total shares | |
| 7 | HIPOLINE COMMERCE PRIVATE LIMITED | 7339200 | 9.025 | 0.000 | 9083128 | 11.169 | 0.000 | 2.144 |
| 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 | 9000 | 0.011 | 0.000 | -0.001 |
| 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 AGARWAL | 0 | 0.000 | 0.000 | 15995 | 0.020 | 0.000 | 0.020 |
| 16 | PREM PRAKASH AGRAWAL HUF | 32500 | 0.040 | 0.000 | 32500 | 0.040 | 0.000 | 0.000 |
| 17 | PRIYA AGARWAL | 100000 | 0.123 | 0.000 | 100000 | 0.123 | 0.000 | 0.000 |
| 18 | PRIYANKA DAS | 4898 | 0.006 | 0.000 | 4898 | 0.006 | 0.000 | 0.000 |
| 19 | SANTOSH KUMAR AGARWAL | 3105247 | 3.818 | 0.000 | 2605247 | 3.204 | 0.000 | -0.614 |
| 20 | SANTOSH KUMAR AGRAWAL HUF | 110000 | 0.135 | 0.000 | 110000 | 0.135 | 0.000 | 0.000 |
| 21 | SHARDA DEVI JALAN | 2500 | 0.003 | 0.000 | 2500 | 0.003 | 0.000 | 0.000 |
| 22 | SHRUTI KANDOI | 17056 | 0.021 | 0.000 | 17056 | 0.021 | 0.000 | 0.000 |
| 23 | SHYAMA AGRAWAL | 190000 | 0.234 | 0.000 | 190000 | 0.234 | 0.000 | 0.000 |
| 24 | SMRITI AGARWAL | 10000 | 0.012 | 0.000 | 10000 | 0.012 | 0.000 | 0.000 |
| 25 | SUBODH KUMAR JALAN | 10000 | 0.012 | 0.000 | 10000 | 0.012 | 0.000 | 0.000 |
| 26 | SUMESH KUMAR AGARWAL | 100000 | 0.123 | 0.000 | 100000 | 0.123 | 0.000 | 0.000 |
| 27 | UMA AGARWAL | 0 | 0.000 | 0.000 | 13792 | 0.017 | 0.000 | 0.017 |
| | TOTAL | 51316227 | 63.102 | 0.995 | 54686193 | 67.246 | 0.934 | 4.144 |

C. Change in Promoter's Shareholding

| SI No. | Name | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|---------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | ANUPAM AGARWAL | | | | |
| | 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 | ASHUTOSH AGARWAL | | | | |
| | 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 |

| 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 |
| 3 | BRIJ MOHAN JOSHI | | | | |
| | 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 | CHANDRA PRAKASH AGARWAL | | | | |
| | 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 | DINESH KUMAR AGARWAL | | | | |
| | a) At the Beginning of the Year | 210000 | 0.258 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | Date Reason | | | | |
| | 11/05/2018 Transfer | 2097251 | 2.579 | 2307251 | 2.837 |
| 6 | GALLANTT ISPAT LIMITED | | | | |
| | 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 | HIPOLINE COMMERCE PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 7339200 | 9.025 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | Date Reason | | | | |
| | 13/04/2018 Transfer | 518864 | 0.638 | 7858064 | 9.663 |
| | 15/03/2019 Transfer | 1225064 | 1.506 | 9083128 | 11.169 |
| | c) At the End of the Year | | | 9083128 | 11.169 |
| 8 | KARUNA JINDAL | | | | |
| | 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 |
| 9 | KUSUM DEVI JALAN | | | | |
| | 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 | NARAIN PRASAD AJITSARIA | | | | |
| | 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 | NARESH CHANDRA AGARWAL | | | | |
| | a) At the Beginning of the Year | 10000 | 0.012 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | Date Reason | | | | |
| | 23/11/2018 Transfer | -1000 | 0.001 | 9000 | 0.011 |
| | c) At the End of the Year | | | 9000 | 0.011 |
| 12 | NIDHI JALAN | | | | |
| | 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 | NITIN KANDOI | | | | |
| | 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 | OM PRAKASH JALAN | | | | |
| | 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 | PREM PRAKASH AGARWAL | | | | |
| | a) At the Beginning of the Year | 0 | 0.000 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | Date Reason | | | | |

| 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 |
| | 04/05/2018 Transfer | 16000 | 0.020 | 16000 | 0.020 |
| | 17/08/2018 Transfer | -15 | 0.000 | 15985 | 0.020 |
| | 05/10/2018 Transfer | 15 | 0.000 | 16000 | 0.020 |
| | 22/03/2019 Transfer | -5 | 0.000 | 15995 | 0.020 |
| | c) At the End of the Year | | | 15995 | 0.020 |
| 16 | PREM PRAKASH AGRAWAL HUF | | | | |
| | 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 |
| 17 | PRIYA AGARWAL | | | | |
| | 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 |
| 18 | PRİYANKA DAS | | | | |
| | a) At the Beginning of the Year | 4898 | 0.006 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 4898 | 0.006 |
| 19 | SANTOSH KUMAR AGARWAL | | | | |
| | a) At the Beginning of the Year | 3105247 | 3.818 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 13/04/2018 Transfer | -500000 | 0.615 | 2605247 | 3.204 |
| | c) At the End of the Year | | | 2605247 | 3.204 |
| 20 | SANTOSH KUMAR AGRAWAL HUF | | | | |
| | 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 |
| 21 | SHARDA DEVI JALAN | | | | |
| | 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 |
| 22 | SHRUTI KANDOI | | | | |
| | a) At the Beginning of the Year | 17056 | 0.021 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 17056 | 0.021 |
| 23 | SHYAMA AGRAWAL | | | | |
| | 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 |
| 24 | SMRITI AGARWAL | | | | |
| | 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 |
| 25 | SUBODH KUMAR JALAN | | | | |
| | 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 |
| 26 | SUMESH KUMAR AGARWAL | | | | |
| | 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 |
| 27 | UMA AGARWAL | | | | |
| | a) At the Beginning of the Year | 0 | 0.000 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 11/05/2018 Transfer | 13792 | 0.017 | 13792 | 0.017 |
| | c) At the End of the Year | | | 13792 | 0.017 |
| | TOTAL | 51316227 | 63.102 | 54686193 | 67.246 |

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 | ASHU AGRAWAL | | | | |
| | a) At the Beginning of the Year | 244413 | 0.301 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 244413 | 0.301 |
| 2 | JAI LAKSHMI SOLVENTS PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 598795 | 0.736 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 598795 | 0.736 |
| 3 | LEXI EXPORTS PVT LTD | | | | |
| | a) At the Beginning of the Year | 11977179 | 14.728 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 13/07/2018 Transfer | -5000 | 0.006 | 11972179 | 14.722 |
| | 20/07/2018 Transfer | -12000 | 0.015 | 11960179 | 14.707 |
| | 17/08/2018 Transfer | -29500 | 0.036 | 11930679 | 14.671 |
| | c) At the End of the Year | | | 11930679 | 14.671 |
| 4 | LIGHTHOUSE MERCHANTS PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 1225064 | 1.506 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 15/03/2019 Transfer | -1225064 | 1.506 | 0 | 0.000 |
| | c) At the End of the Year | | | 0 | 0.000 |
| 5 | MAGENTA COMMERCE PRIVATE LTD | | | | |
| | a) At the Beginning of the Year | 479117 | 0.589 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 14/09/2018 Transfer | 77418 | 0.095 | 556535 | 0.684 |
| | c) At the End of the Year | | | 556535 | 0.684 |
| 6 | MUKESH KUMAR AGARWAL | | | | |
| | a) At the Beginning of the Year | 370086 | 0.455 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 370086 | 0.455 |
| 7 | NAJMUDDIN GULAMHUSEIN KHERAJ | | | | |
| | a) At the Beginning of the Year | 400000 | 0.492 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 400000 | 0.492 |
| 8 | RAGHUBIR PRASAD AGARWALLA | | | | |
| | a) At the Beginning of the Year | 184409 | 0.227 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 15/03/2019 Transfer | 63507 | 0.078 | 247916 | 0.305 |
| | c) At the End of the Year | | | 247916 | 0.305 |
| 9 | RICHIE CREDIT AND FINANCE PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 5020194 | 6.173 | | |
| | b) Changes during the year | | [NO CHANGES DURING THE YEAR] | | |
| | c) At the End of the Year | | | 5020194 | 6.173 |

| 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 |
| 10 | SANJAY AGRAWAL | | | | |
| | a) At the Beginning of the Year | 363224 | 0.447 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 27/04/2018 Transfer | 2400 | 0.003 | 365624 | 0.450 |
| | 06/07/2018 Transfer | -15848 | 0.019 | 349776 | 0.430 |
| | 24/08/2018 Transfer | -60000 | 0.074 | 289776 | 0.356 |
| | 31/08/2018 Transfer | 32164 | 0.040 | 321940 | 0.396 |
| | 14/09/2018 Transfer | -11947 | 0.015 | 309993 | 0.381 |
| | 21/09/2018 Transfer | -11428 | 0.014 | 298565 | 0.367 |
| | 29/09/2018 Transfer | -3589 | 0.004 | 294976 | 0.363 |
| | 05/10/2018 Transfer | -1300 | 0.002 | 293676 | 0.361 |
| | 02/11/2018 Transfer | -300 | 0.000 | 293376 | 0.361 |
| | 23/11/2018 Transfer | 2666 | 0.003 | 296042 | 0.364 |
| | 22/02/2019 Transfer | 120 | 0.000 | 296162 | 0.364 |
| | c) At the End of the Year | | | 296162 | 0.364 |
| 11 | SANJAY AGRAWAL | | | | |
| | a) At the Beginning of the Year | 201568 | 0.248 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 21/09/2018 Transfer | -10000 | 0.012 | 191568 | 0.236 |
| | 23/11/2018 Transfer | -1191 | 0.001 | 190377 | 0.234 |
| | 30/11/2018 Transfer | -1000 | 0.001 | 189377 | 0.233 |
| | c) At the End of the Year | | | 189377 | 0.233 |
| 12 | WALLSTREET DISTRIBUTOR PRIVATE LIMITED | | | | |
| | a) At the Beginning of the Year | 1985569 | 2.442 | | |
| | b) Changes during the year | | | | |
| | Date Reason | | | | |
| | 13/04/2018 Transfer | -510000 | 0.627 | 1475569 | 1.814 |
| | 20/04/2018 Transfer | -1325000 | 1.629 | 150569 | 0.185 |
| | 27/04/2018 Transfer | -119215 | 0.147 | 31354 | 0.039 |
| | 04/05/2018 Transfer | -31354 | 0.039 | 0 | 0.000 |
| | c) At the End of the Year | | | 0 | 0.000 |
| | TOTAL | 23049618 | 28.344 | 19854157 | 24.414 |

E. 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) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | 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) Changes during the year | | | | |
| | Date Reason | | | | |
| | 11/05/2018 Transfer | 2097251 | 2.579 | 2307251 | 2.837 |
| | c) At the End of the Year | | | 2307251 | 2.837 |
| 3 | NITIN KANDOI | | | | |
| | 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 |
| 4 | SANDIP KUMAR AGRAWAL | | | | |
| | a) At the Beginning of the Year | 9396 | 0.012 | | |
| | b) Changes during the year | [NO CHANGES DURING THE YEAR] | | | |
| | c) At the End of the Year | | | 9396 | 0.012 |
| | TOTAL | 529896 | 0.652 | 2627147 | 3.231 |

V. INDEBTEDNESS

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

Amount in lacs

| Particulars | Secured Loan | Unsecured Loan | Deposit | Total Indebtedness |
|---|-------------------|----------------|----------|--------------------|
| | excluding Deposit | | | |
| Indebtedness at the beginning of the financial year | | | | |
| (i) Principal Amount | 5,469.60 | - | - | 5,469.60 |
| (ii) Interest due but not paid | - | - | - | - |
| 3. Interest accrued but not due | - | - | - | - |
| Total (1+2+3) | 5,469.60 | - | - | 5,469.60 |
| Change in Indebtedness during the Financial Year | | | | |
| • Addition | - | - | - | - |
| • Reduction | 343.11 | - | - | 343.11 |
| Net Change | 343.11 | - | - | 343.11 |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal Amount | 5,126.49 | - | - | 5,126.49 |
| (ii) Interest due but not paid | - | - | - | - |
| 3. Interest accrued but not due | - | - | - | - |
| Total (1+2+3) | 5,126.49 | - | - | 5,126.49 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lacs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---------|---|-------------------------|------------------------------|----------------|---------------|
| | | Chandra Prakash Agrawal | Dinesh Raghbirprasad Agarwal | Prashant Jalan | |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961 | 21.60 | 21.60 | 6.73 | 49.93 |
| | | - | - | - | - |
| 2 | Commission | - | 331.07 | - | 331.07 |
| 3 | Others –Remuneration benefits | - | - | - | - |
| | Total (A) | 21.60 | 352.67 | 6.73 | 381.00 |

B. Remuneration to Other Directors (All being Independent except Mr. Nitin Mahabir Prasad Kandoi)

| | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---|--|-----------------------------|----------------------|-------------------|----------------|--------------|--------------|
| | | Nitin Mahabir Prasad Kandoi | Jyotirindra Nath Dey | Prasant Kankrania | Richa Bhartiya | Sandip Kumar | |
| 1 | Fees for attending Board/ Committee Meetings | 14,000 | 52,000 | 42,000 | 42,000 | 16,000 | 1,66,000 |
| 2 | Commission | - | - | - | - | - | - |
| 3 | Others | - | - | - | - | - | - |

C. Remuneration to Key Managerial Personnel

| S. N. | Particulars of Remuneration | Name of Key Managerial Personnel | | Total Amount |
|-------|---|----------------------------------|-------------------|--------------|
| | | Sandip Kumar Agarwal | Tarun Kumar Rathi | |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961 | 13.34 | 4.94 | 18.28 |
| | | - | - | - |
| 2 | Others –Remuneration benefits | - | - | - |

VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YEAR

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

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE OVERNANCE PHILOSOPHY

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

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

A Report on compliance with the principles of

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

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

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

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

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

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

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

2. BOARD OF DIRECTORS

2.1 Composition

The Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ("the Act"). The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations.

As on March 31, 2019 your Company's Board comprised of 8 Directors (out of which four of the Directors are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Managing Director of the Company are held by same individual Mr. Chandra Prakash Agrawal.

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

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

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

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

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

2.2 Appointment of Directors

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

2.3 Meetings

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

2.4 Changes during the Year

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

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

2.5 Re-appointment of Directors Proposed at upcoming AGM:

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

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

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

2.6 Other Directorships and Committee Memberships:

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

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

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

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

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

Notes:

- Mr. Sandip Kumar, Mr. Jyotirindra Nath Dey, Mr. Prasant Kankrania and Mrs. Richa Bhartiya have been considered as Independent Directors as they

qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.

- Other Directorships of only Indian Public Limited Companies have been considered.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

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

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

* Resigned details given above.

Resigned from Gallantt Ispat effective from June 23, 2019.

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

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

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

2.8 Information supplied to the Board

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

2.9 Separate Meeting of Independent Directors:

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

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

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

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

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

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

2.10 Shareholding of Directors Including Non-Executive Directors

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

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

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

2.11 Induction and Familiarization Program for Directors

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

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

The details of familiarisation programme have been

posted in the website of the Company www.gallantt.com

2.12 Independent Directors

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

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

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

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company viz. Mr. Prasant Kankrania, Mr. Jyotirindra Nath Dey, Mr. Sandip Kumar and Mrs. Richa Bhartiya have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations. Also, newly appointed Directors Mr. Dindayal Jalan and Mr. Ashtbhuja Prasad Srivastava have also given the said declaration.

2.13 Board Procedures

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

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

Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

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

2.14 Performance evaluation of Directors

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

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

The criteria for the performance evaluation included the following:

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

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

executive director, Board and Committees as a whole.

2.15 Non-executive Directors' compensation and disclosures

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

2.16 Other Provisions as to Board and Committees

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

2.17 Independent Directors confirmation by the Board

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

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

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

2.19 Criteria of Selection of Independent Directors

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

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

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

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

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

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

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

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

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

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

2.22 Succession Planning

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

2.23 Committees of Board of Directors

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

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

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

Your Company has five Board level committees:

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

3. CODE OF CONDUCT

Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website www.gallantt.com.

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

4. AUDIT COMMITTEE

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

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

4.1 Composition

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

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

Mr. Prasant Kankrania, the then Chairman – Audit

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

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

4.2 Power of Audit Committee

The "Audit Committee" shall have the following powers:

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

4.3 Role/Terms of Reference of Audit Committee

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

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

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

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

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

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

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

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

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

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

Disclosure of any related party transactions;

Qualifications in the draft audit report.

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

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

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

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

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

Scrutiny of inter-corporate loans and investments;

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

Evaluation of internal financial controls and risk management systems;

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

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

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

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

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

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

To review the functioning of the Whistle Blower mechanism;

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

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

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

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

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

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

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

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

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

Board.

4.4 Meetings and Attendance

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

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

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

*Resigned on April 29, 2019

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

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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

5.1 Composition

During the year ended 31st March, 2019, the Stakeholders Relationship Committee comprised of Mrs. Richa Bhartiya, an Independent Director, as the Chairperson and Mr. Prasant Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all

matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

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

5.2 Terms of Reference

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

5.3 Meetings and Attendance

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

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

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

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

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

5.4 Status of Complaints

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

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

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

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

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

6. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations., the Nomination and Remuneration Committee (**NRC**) of the Board of Directors was formed by the Board of Directors to oversee the Company's nomination process for the senior management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Policy, merit and Company's performance. Presently NRC consists of three Non-Executive Independent Directors.

6.1 Role of Nomination and Remuneration Committee

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

Terms of Reference -

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

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

Annual evaluation of every director's performance;

Formulating a remuneration policy of the Company;

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

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

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

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

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

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

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

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

6.2 Meetings and Attendance

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

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

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

| Names | Designation | Category | Committee Meeting Attended |
|---------------------|-------------|-------------|----------------------------|
| Mr. J. N. Dey | Chairman | Independent | 4 |
| Mr. P. Kankrania | Member | Independent | 4 |
| Mrs. Richa Bhartiya | Member | Independent | 4 |

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

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

6.3 Nomination and Remuneration Policy of the Company

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

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

Summary of Remuneration Policy of the Company:

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

6.4 Remuneration of Directors

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

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

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

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

(b) Non-Executive Directors

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

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

The criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at www.gallantt.com.

6.5 Evaluation Criteria

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

7.1 Terms of reference

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

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

7.2 Meetings and Attendance

The Committee met five (5) times during the financial year ended 31st March, 2019 on 12.05.2018, 21.05.2018, 11.08.2018, 14.11.2018 and 30.03.2019. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2019 is detailed below:

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

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

8. SUBSIDIARY COMPANIES

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

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

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

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

The Company does not have any material non-listed

Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website www.gallantt.com.

9. RISK MANAGEMENT

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

10. RELATED PARTY TRANSACTIONS

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

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

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant Related Party

Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

11. GENERAL BODY MEETINGS

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

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

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

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

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

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

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

11.5 Whether any special resolution is proposed to be

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

11.6 Procedure for Postal Ballot: Not Applicable.

11.7 Extraordinary General Meeting

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

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

11.8 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

12. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the Listing Regulations, the Company has maintained a functional website at www.gallantt.com 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.

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

Details about the means of communication:

Quarterly Results:

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

Whether it also displays official news releases; Yes

13. GENERAL SHAREHOLDERS INFORMATION

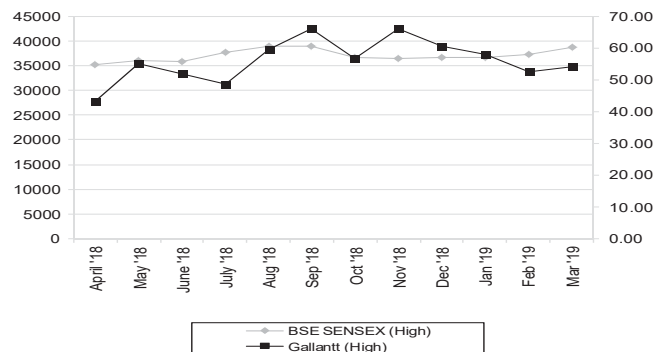
| | | |
|-------|---|---|
| 13.1 | Date, time and time of the Annual General Meeting | Thursday, September 26, 2019 at 12.30 P.M. |
| 13.2 | Venue | “Geeta Bhawan”, 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014.India. |
| 13.3 | Financial Year | April 01, 2018 to March 31, 2019 |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

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

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2018-19.

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

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



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

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

13.14 Registrar and Share Transfer Agents;

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

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

Email id: nichetechpl@nichetechpl.com

Website: www.nichetechpl.com

13.15 Share Transfer System;

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

Share transfers, dividend payments and all other

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

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

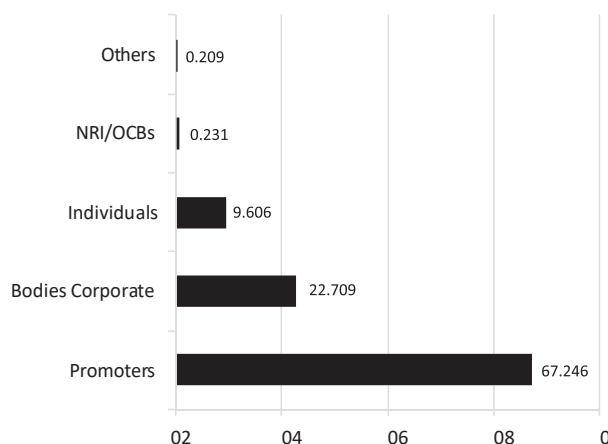
Distribution of shareholding by size is as given below:

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

13.17 Categories of shareholding as on 31st March, 2019

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

Category-wise shareholding:



13.18 Dematerialization of Shares and Liquidity

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

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

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

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

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

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

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

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

13.21 Corporate Identity Number (CIN):
L27109DL2005PLC350524

13.22 Plant locations:

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

13.23 Address for correspondence

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

Depositories:

| | |
|---|--|
| National Securities Depository Limited Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel. No.: (022) 2499 4200 Fax No.: (022) 2497 6351 Email: info@nsdl.co.in Website: www.nsdl.co.in | Central Depository Services (India) Limited Marathon Futurex, A-Wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013 Toll free No.: 1800-22-5533 Email: complaints@cdslindia.com Website: www.cdslindia.com |
|---|--|

Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

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

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

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

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

13.25 Unpaid and Unclaimed Amount of Dividend and Share Application Money

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

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

Unpaid dividend amounts are not available for use by the Company. Members who have not so far encashed their Dividend Warrants for the financial years ended 31st March, 2018 are requested to approach immediately the Registrar and Share Transfer Agent/Company for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website www.gallantt.com and also uploaded on the website of IEPF viz. www.iepf.gov.in.

13.26 Transfer of shares to IEPF

No shares have been transferred to IEPF

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

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2018-19 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the web link to the Materiality of Related Party Transactions is as under: [https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Related Party Transaction Policy-w.e.f. 01.04.2019](https://www.gallantt.com/Investors%20Corner/Gallantt%20Metal%20Limited/Related%20Party%20Transaction%20Policy-w.e.f.%2001.04.2019).

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

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

14.3 Accounting Standards

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

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

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

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

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

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

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

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

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

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

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

14.8 Disclosure of commodity price risks and commodity hedging activities.

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

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

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

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

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

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

14.11 Recommendations of Committees of the Board

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

14.12 Total fees paid to Statutory Auditors of the Company

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Unpublished Price Sensitive Information and the same is available on the website of the Company at www.gallantt.com.

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

14.23 Nomination

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

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

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

14.25 Reconciliation of share capital audit

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

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

14.26 Code of Conduct

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

14.27 Trading window

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

14.28 Conflict of Interests

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

14.29 CEO/CFO Certification

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

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

14.30 Uday Kotak Committee Recommendations

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

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

compliance by the effective date.

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

14.31 Policy for Preservation of Documents

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

14.32 Policy for Determination of Legitimate Purposes

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

14.33 Policy on enquiry of leak of Unpublished Price Sensitive Information

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

14.34 Shareholder voting

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

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

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

14.35 Green Initiative in Corporate Governance

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

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

14.36 Compliance Certificate on Corporate Governance

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

14.37 Secretarial Audit

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

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

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

Details of payment of Sitting Fee for the year 2018-19 are as follows:

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

14.39 Dividend History for the last 10 financial years

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

| Sr. No | F.Y. of Declaration of Dividend | Date of Declaration of Dividend | Amount declared per share | Dividend Amount |
|--------|---------------------------------|---------------------------------|--|-----------------------|
| 1 | 2017-18 | 27.09.2018 | Re. 0.25/- (Paise Twenty Five only) | Rs. 2,03,30,581.00 |

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

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

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

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

14.42 Codes and Policies

Particulars Website Details/Links:

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

Place: Gorakhpur
Date: August 13, 2019

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

DECLARATION

To
The Members of
Gallantt Metal Limited

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

Place : Gorakhpur
Date : August 13, 2019

C. P. Agrawal
Managing Director

Dinesh Raghbir Prasad Agarwal
Whole-time Director

Annexure - B

CEO/CFO CERTIFICATION

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

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

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

Place : Gorakhpur
Dated : August 13, 2019

Chandra Prakash Agrawal
Managing Director

Sandip Kumar Agarwal
Chief Financial Officer

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

To
The Members of
Gallantt Metal Limited

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

Managements' Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019. We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ALPS & Co.
Chartered Accountants
Firm's Registration No: 313132E

A. K. Khetawat
Partner
Membership No: 52751

Place: Gorakhpur
Date: August 13, 2019

Notice

Board & Management Report

Standalone Financial Report

Consolidated Financial Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

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

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

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

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

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

Place: Gorakhpur
Dated: August 13, 2019

INDEPENDENT AUDITOR’S REPORT

To the Members of **Gallantt Metal Limited**
Report on the Standalone Financial Statements
Opinion

We have audited the accompanying standalone financial statements of **Gallantt Metal Limited (“the Company”)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (‘The Act’) in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | How our audit assessed the key audit matter |
|--|--|
| Revenue from sale of products (Refer Note 2.2 of the standalone Ind AS financial statements) | |
| The Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the current period in accordance with Ind AS 115. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements | Following procedures have been performed to address this key audit matter: <ul style="list-style-type: none"> • Considered the Company’s revenue recognition policy and its compliance in terms of Ind AS 115 ‘Revenue from contracts with customers’. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. • Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. • Assessed the relevant disclosures made within the standalone Ind AS financial statements. |
| Assessment of litigations and related disclosure of contingent liabilities (Refer Note no. 2.11 and Note no. 40 of the Standalone Financial Statement) | |
| As of March 31, 2019, the Company has disclosed contingent liabilities of ₹ 1,614.57 Lakhs relating to tax and legal claims Taxation, arbitration and litigation exposures have been identified as a key audit matter due to | Following procedures have been performed to address this key audit matter: <ul style="list-style-type: none"> ➤ Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. ➤ Discussed and analysed material legal cases with the Company’s legal department. |
| the uncertainties and timescales involved for the resolution of these claims. Accordingly, there is judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the standalone Ind AS financial statements. | <ul style="list-style-type: none"> ➤ Analysed the responses obtained from the Company’s legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described. ➤ Received confirmation obtained by the Company from their legal counsel / consultants on a samples basis. |

| Key Audit Matters | How our audit assessed the key audit matter |
|-------------------|--|
| | <ul style="list-style-type: none"> ➤ Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the standalone Ind AS financial statements. ➤ Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters. |

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone financial statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of standalone

financial statement

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

A further description of the auditor's responsibilities for the audit of the standalone financial statements is included in Annexure A. This description forms part of our auditor's report.

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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of change in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 Control over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information

and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- 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)
Partner

Place: Gorakhpur
Dated: April 29, 2019

Membership Number: 052751

Annexure A

Responsibilities for Audit of Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and

events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

(A.K. Khetawat)
Partner

Place: Gorakhpur
Dated: April 29, 2019

Membership Number: 052751

ANNEXURE 'B' 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, 2019.

- 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 (Rs.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 give 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 give 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: April 29, 2019

Membership Number: 052751

ANNEXURE 'C' TO THE AUDITOR'S REPORT^T

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 **Gallant Metal Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS 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 2019, 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: April 29, 2019

Membership Number: 052751

Balance Sheet as at 31st March 2019

(₹ in lacs)

| | Notes | As at 31.03.2019 | As at 31.03.2018 |
|---|-------|---------------------|---------------------|
| (I) ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 03 | 20,790.22 | 21,881.97 |
| (b) Capital work in progress | | 12,748.00 | 2,860.21 |
| | | 33,538.22 | 24,742.18 |
| (c) Financial assets | | | |
| (i) Investments | 04 | 4,266.08 | 4,266.08 |
| (ii) Other financial assets | 05 | 92.68 | 76.68 |
| (d) Other non-current assets | 06 | 2,089.49 | 1,350.84 |
| (e) Deferred tax assets / (liabilities) (Net) | 07 | (41.62) | 1,431.73 |
| (f) Current Income tax assets (net) | | 62.82 | 72.26 |
| | | 40,007.67 | 31,939.77 |
| (2) Current Assets | | | |
| (a) Inventories | 08 | 11,072.50 | 10,978.77 |
| (b) Financial assets | | | |
| (i) Trade receivables | 09 | 3,756.88 | 5,051.87 |
| (ii) Cash and cash equivalent | 10(a) | 154.86 | 453.72 |
| (iii) Other balances with bank | 10(b) | 95.18 | 32.68 |
| (iv) Loans | 11 | 211.28 | 7,014.26 |
| (v) Other financial assets | 11A | 10.90 | 8.80 |
| (c) Other current assets | 12 | 1,065.31 | 572.60 |
| | | 16,366.91 | 24,112.70 |
| TOTAL ASSETS | | 56,374.58 | 56,052.47 |
| (II) EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 13 | 8,132.23 | 8,132.23 |
| (b) Other equity | 14 | 40,015.23 | 33,092.03 |
| | | 48,147.46 | 41,224.26 |
| (2) Non-current liabilities | | | |
| (a) Provisions | 15 | 57.85 | 28.32 |
| | | 57.85 | 28.32 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 5,126.49 | 5,469.60 |
| (ii) Derivative liabilities | 17 | 28.61 | - |
| (iii) Trade payables | 18 | 1,846.06 | 7,891.09 |
| (iv) Other financial liabilities | 19 | 582.63 | 297.05 |
| (b) Provisions | 20 | 57.07 | 44.13 |
| (c) Other current liabilities | 21 | 512.90 | 1,041.65 |
| (d) Current Income tax liabilities (net) | | 15.51 | 56.37 |
| | | 8,169.27 | 14,799.89 |
| TOTAL EQUITY AND LIABILITIES | | 56,374.58 | 56,052.47 |

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 : April 29, 2019

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Statement of Profit and Loss for the quarter ended 31st March 2019

(₹ in lacs)

| | Notes | For Year ended 31.03.2019 | For Year ended 31.03.2018 |
|---|-----------|------------------------------|------------------------------|
| (1) Revenue from operations | 22 | 1,06,378.53 | 84,558.04 |
| (2) Other income | 23 | 540.21 | 476.23 |
| (3) Total Revenue (1) + (2) | | 1,06,918.74 | 85,034.27 |
| (4) EXPENSES | | | |
| (a) Cost of materials consumed | 24 | 79,113.89 | 59,979.66 |
| (b) Purchase of stock in trade | | 1,788.05 | 1,106.23 |
| (c) Changes in inventories of finished products and work in progress | 25 | (1,432.63) | 814.04 |
| (d) Employee Benefit Expenses | 26 | 2,989.90 | 2,518.27 |
| (e) Finance costs | 27 | 598.99 | 656.16 |
| (f) Depreciation expense | 28 | 1,409.29 | 1,496.96 |
| (g) Excise duty | 29 | - | 2,150.49 |
| (h) Other expenses | 30 | 11,451.74 | 9,378.93 |
| Total Expenses (4) | | 95,919.23 | 78,100.74 |
| (5) Profit before tax (3) - (4) | | 10,999.51 | 6,933.53 |
| (6) Tax Expense | | | |
| (a) Current tax | | | |
| (i) Current tax for current period | | 3,585.64 | 2,095.18 |
| (ii) Current tax for the previous years | | 11.92 | 1.82 |
| (b) Deferred tax | | | |
| (i) Deferred tax for current period | | 239.30 | (96.76) |
| Total tax expense (6) | | 3,836.86 | 2,000.24 |
| (7) Profit for the period (5) - (6) | | 7,162.65 | 4,933.29 |
| (8) Other comprehensive income | | | |
| (a) Items that will not be reclassified to statement of profit and loss | | | |
| (i) Remeasurement of the employees defined benefit plans | | 8.69 | (5.08) |
| (ii) Less :Income tax relating to items that will not be reclassified to profit or loss | | 3.04 | (1.76) |
| Total other comprehensive income (8) | | 5.65 | (3.32) |
| (9) Total comprehensive income for the period (7) + (8) | | 7,168.30 | 4,929.97 |
| (10) Earnings per equity share: (Face value of share of ₹ 10 each) | 33 | | |
| (a) Basic | | 8.81 | 6.07 |
| (b) Diluted | | 8.81 | 6.07 |

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 : April 29, 2019

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

For and on behalf of the Board of Directors

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Statement of Changes in Equity for the year ended 31st March 2019

(₹ in lacs)

A. Equity Share Capital

| Particulars | Amount |
|--|-----------------|
| Balance as at 1st April 2017 | 8,132.23 |
| Changes in equity share capital during the year ended March 31, 2018 | - |
| Balance as at 31st March 2018 | 8,132.23 |
| Changes in equity share capital during the year ended March 31, 2019 | - |
| Balance as at 31st March 2019 | 8,132.23 |

B. Other Equity

| Statement of changes in Equity | Reserves and surplus | | Items of OCI | Total Equity |
|---|----------------------|-------------------|--|------------------|
| | Security Premium | Retained Earnings | Remeasurement of defined benefit liability | |
| Balance at April 1, 2017 | 1,050.00 | 27,063.89 | 48.17 | 28,162.06 |
| Total comprehensive income for the year ended 31.03.2018 | | | | |
| Profit or Loss | - | 4,933.29 | - | 4,933.29 |
| Other Comprehensive Income (net of tax) | - | - | (3.32) | (3.32) |
| Balance at March 31, 2018 | 1,050.00 | 31,997.18 | 44.85 | 33,092.03 |
| Total comprehensive income for the year ended 31.03.2019 | | | | |
| Profit or Loss | - | 7,162.65 | - | 7,162.65 |
| Other Comprehensive Income (net of tax) | - | - | 5.65 | 5.65 |
| Total Comprehensive income | 1,050.00 | 39,159.83 | 50.50 | 40,260.33 |
| Transaction with owners, recorded directly in equity contributions by and distribution to owners | | | | |
| Dividend (including dividend distribution tax) | - | (245.10) | - | (245.10) |
| Total contribution by and distribution to owner | - | (245.10) | - | (245.10) |
| Balance at March 31, 2019 | 1,050.00 | 38,914.73 | 50.50 | 40,015.23 |

See accompanying notes forming part of the financial statements

As per terms of our report attached

For and on behalf of the Board of Directors

For **ALPS & Co.**

Chartered Accountants

Firm Registration No : 313132E

(A. K. Khetawat)

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : April 29, 2019

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| A. Cash Flow from Operating activities: | | |
| Profit for the period | 10,999.51 | 6,933.53 |
| <i>Adjustments for:</i> | | |
| Income tax expenses recognised in the statement of profit and loss | | |
| Depreciation expense | 1,409.29 | 1,496.96 |
| Interest income | (429.62) | (438.80) |
| Interest expenses | 333.75 | 469.39 |
| Remeasurement Gain / (Loss) on defined benefit plan | 8.69 | (5.08) |
| Net (Gain)/Loss on derivative instruments | 28.60 | - |
| (Profit)/loss on sale of property, plant & equipments | 65.34 | 1.37 |
| Liabilities/provision no longer required written back | 0.15 | (1.17) |
| Operating profit before working capital changes | 12,415.71 | 8,456.21 |
| <i>Adjustments for (increase)/decrease in operating assets</i> | | |
| Inventories | (93.73) | (1,117.53) |
| Trade receivables | 1,294.99 | (1,649.05) |
| Non-current financial Assets | (16.00) | (6.15) |
| Other non-current assets | 12.20 | (517.74) |
| Current financial assets | (4.74) | 4.21 |
| Other current assets | (492.71) | 940.88 |
| <i>Adjustments for increase/(decrease) in operating liabilities</i> | | |
| Trade Payables | (6,045.03) | 5,687.86 |
| Current financial liabilities | 125.63 | 71.15 |
| Other current liabilities | (528.75) | 394.31 |
| Provisions | 42.32 | 48.06 |
| Cash generated from operations | 6,709.89 | 12,312.20 |
| Direct taxes paid | (2,397.97) | (1,434.38) |
| Net cash generated from operating activities | 4,311.92 | 10,877.83 |
| B. Cash Flow from Investing activities: | | |
| Purchase of property, plant and equipment | (10,976.39) | (2,539.98) |
| Sale of property, plant & equipment | 114.85 | 10.70 |
| Investment in Shares | - | (5.88) |
| Movement in loans and advances | 6,802.98 | (6,160.90) |
| Movement in fixed deposit held as margin | (62.50) | 11.45 |
| Interest received | 432.27 | 433.21 |
| Net cash (used in) investing activities | (3,688.79) | (8,251.40) |

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Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| C. Cash Flow from Financing activities: | | |
| Repayment of short term borrowings | (343.11) | (1,948.52) |
| Interest paid | (333.78) | (469.39) |
| Dividend Paid | (203.31) | - |
| Dividend distribution tax paid | (41.79) | - |
| Net cash (used in) financing activities | (921.99) | (2,417.91) |
| Net increase/(decrease) in cash and cash equivalents | (298.86) | 208.52 |
| Cash and cash equivalents as at 1st April | 453.72 | 245.20 |
| Cash and cash equivalents as at 31st March | 154.86 | 453.72 |

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(a)}
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 : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal

Dinesh Raghbir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Notes on financial statements for the year ended 31st March 2019

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.

The financial statements have been prepared on accrual and going concern basis. 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, 2019 were approved by the Board of Directors and authorised for issue on April 29, 2019.

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:

- 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

A number of the the Company's accounting policies and disclosures require the measurement of fair values for both financial and non financial assets and liabilities. 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.

Notes on financial statements for the year ended 31st March 2019

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 | : 3 to 60 years |
| Plant and equipment: | : 10 to 25 years |
| Furniture and Fixtures | : 10 years |
| Office Equipments | : 5 to 10 years |
| Computers | : 3 years |
| Motor Vehicles | : 8 to 10 years |
| Rolls | : 1 year |

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 been 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

Inventories which comprise 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.

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

Notes on financial statements ^f for the year ended 31st March 2019

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 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

Notes on financial statements for the year ended 31st March 2019

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 Off setting 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.

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

i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or

Notes on financial statements for the year ended 31st March 2019

receivable, net of returns, trade discounts and quantity discount and exclusive of Goods and Service Tax and other taxes and duties collected on behalf of the government. 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.

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

Notes on financial statements for the year ended 31st March 2019

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 2019

(₹ 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 |
| Cost or deemed cost | | | | | | | | | | | | |
| Balance at April 1, 2017 | 803.31 | 4,579.92 | 557.57 | 17,851.79 | 390.91 | 34.41 | 28.33 | 37.62 | 140.64 | 4.64 | 180.28 | 24,609.42 |
| Additions | - | - | - | 57.53 | 8.01 | 9.10 | - | 7.21 | 105.43 | 1.43 | 171.32 | 360.03 |
| Disposals | - | - | - | - | - | - | - | - | (13.56) | - | (180.28) | (193.84) |
| Balance at March 31, 2018 | 803.31 | 4,579.92 | 557.57 | 17,909.32 | 398.92 | 43.51 | 28.33 | 44.83 | 232.51 | 6.07 | 171.32 | 24,775.61 |
| Additions | 120.14 | - | - | 42.92 | 40.79 | - | 3.26 | 0.58 | 79.96 | 1.05 | 209.00 | 497.70 |
| Disposals | - | - | - | (277.70) | (3.04) | - | - | - | (21.65) | - | - | (302.39) |
| Balance at March 31, 2019 | 923.45 | 4,579.92 | 557.57 | 17,674.54 | 436.67 | 43.51 | 31.59 | 45.41 | 290.82 | 7.12 | 380.32 | 24,970.92 |
| Accumulated depreciation | | | | | | | | | | | | |
| Balance at April 1, 2017 | - | 154.50 | 62.19 | 1,007.56 | 215.51 | 10.06 | 7.10 | 9.56 | 26.27 | 2.55 | 83.15 | 1,578.45 |
| Depreciation expense | - | 162.97 | 62.67 | 1,012.14 | 16.07 | 5.42 | 5.68 | 11.02 | 28.83 | 2.27 | 189.89 | 1,496.96 |
| Disposals | - | - | - | - | - | - | - | - | (4.13) | - | (177.64) | (181.77) |
| Balance at March 31, 2018 | - | 317.47 | 124.86 | 2,019.70 | 231.58 | 15.48 | 12.78 | 20.58 | 50.97 | 4.82 | 95.40 | 2,893.64 |
| Depreciation expense | - | 162.97 | 62.67 | 935.34 | 17.75 | 4.74 | 3.56 | 8.41 | 31.17 | 0.83 | 181.85 | 1,409.29 |
| Disposals | - | - | - | (110.85) | - | - | - | - | (10.51) | (0.87) | - | (122.23) |
| Balance at March 31, 2019 | - | 480.44 | 187.53 | 2,844.19 | 249.33 | 20.22 | 16.34 | 28.99 | 71.63 | 4.78 | 277.25 | 4,180.70 |
| Carrying amount | | | | | | | | | | | | |
| Balance at March 31, 2018 | 803.31 | 4,262.45 | 432.71 | 15,889.62 | 167.34 | 28.03 | 15.55 | 24.25 | 181.54 | 1.25 | 75.92 | 21,881.97 |
| Balance at March 31, 2019 | 923.45 | 4,099.48 | 370.04 | 14,830.35 | 187.34 | 23.29 | 15.25 | 16.42 | 219.19 | 2.34 | 103.07 | 20,790.22 |

Note:

- 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.

| 04. Investments in Subsidiaries and Associates | | | | | |
|--|----------------------|--------------------|------------------|------------------|------------------|
| | | As at 31.03.2019 | | As at 31.03.2018 | |
| | | Qty Nos. | Amount | Qty Nos. | Amount ₹ lakhs |
| Investments in Subsidiaries and Associates | | | | | |
| Investments in Equity Instruments (Fully paid up unless stated otherwise) | | | | | |
| (a) | Quoted Investments | | | | |
| Associates | | | | | |
| Gallantt Ispat Limited at face value of ₹ 1 each (P.Y ₹ 10 each) | | 7,25,19,920 | 4,260.20 | 72,51,992 | 4,260.20 |
| Total aggregate quoted investments | | 7,25,19,920 | 4,260.20 | 72,51,992 | 4,260.20 |
| (b) | Unquoted Investments | | | | |
| Subsidiary | | | | | |
| GL Steel & Power Ltd. at face value of ₹ 10 each. | | 58,800 | 5.88 | 58,800 | 5.88 |
| Total aggregate unquoted investments | | 58,800 | 5.88 | 58,800 | 5.88 |
| Total Investments carrying value | | | 4,266.08 | | 4,266.08 |
| Aggregate book value of quoted investments | | | 4,260.20 | | 4,260.20 |
| Aggregate market value of quoted investments | | | 21,828.50 | | 19,584.00 |
| 05. Other non-current financial assets (Unsecured, Considered good) | | | | | |
| | | As at 31.03.2019 | | As at 31.03.2018 | |
| Security deposits | | | 92.68 | | 76.68 |
| Total non-current financial assets | | | 92.68 | | 76.68 |
| 06. Other non-current assets | | | | | |
| Capital advances | | | 1,338.62 | | 587.78 |
| Balance with Statutory / Government Authorities | | | 750.87 | | 763.06 |
| Total other non-current assets | | | 2,089.49 | | 1,350.84 |
| 07. Deferred tax balances | | | | | |
| The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: | | | | | |
| Deferred tax assets | | | 3,095.24 | | 4,302.03 |
| Deferred tax liabilities | | | (3,136.86) | | (2,870.30) |
| Net deferred tax assets/(liabilities) | | | (41.62) | | 1,431.73 |
| For Year ended 31.03.2019 | | | | | |
| Deferred tax (liabilities)/assets in relation to: | | | | | |
| Deffered Tax Liabilities | | | | | |
| Written down value of Assets | | | 3,133.82 | | 2870.30 |
| Other Provision | | | 3.04 | | - |
| | | | 3,136.86 | | 2,870.30 |
| Deffered Tax Assets | | | | | |
| Mat Credit entitlement | | | 3,011.60 | | 4,242.59 |
| Provision for retirement benefit | | | 43.19 | | 25.08 |
| Other Provision | | | 40.45 | | 34.36 |
| | | | 3,095.24 | | 4,302.03 |

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

| 08. Inventories | | |
|--|-------------------------|-------------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Raw materials | | |
| Including in transit ₹ 4,225.28 lakhs (P.Y. ₹ 5,541.77 lacs) | 6,711.98 | 7,933.03 |
| Work-in-progress | 32.97 | 33.48 |
| Finished products | 2,589.57 | 1,156.42 |
| Stores and spare parts | 1,737.98 | 1,855.84 |
| Total inventories | 11,072.50 | 10,978.77 |

- 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

| 09. Trade receivables (Current) Unsecured, considered good | | |
|---|-----------------|-----------------|
| Total trade receivables | 3,756.88 | 5,051.87 |
| | 3,756.88 | 5,051.87 |

- Trade receivables are pledged on pari passu first charge against short term loans from bank (refer note 16).
- Trade receivables includes ₹ Nil from related party (P.Y. ₹ 5.92 lacs) (refer note 35).

| 10. Cash and bank balances | | |
|---|---------------|---------------|
| Cash and cash equivalents | | |
| Cash on hand | 9.77 | 6.65 |
| Balances with banks | | |
| In current accounts | 5.09 | 5.07 |
| In deposits accounts* | 140.00 | 442.00 |
| Total cash and cash equivalents | 154.86 | 453.72 |
| Other bank balances | | |
| In deposits accounts** | 94.43 | 32.68 |
| Earmarked balance with bank for unclaimed dividend | 0.75 | - |
| | 95.18 | 32.68 |
| Total cash and bank balances | 250.04 | 486.40 |
| Included above | | |
| Bank deposits for margin against letters of credit and Bank Guarantee | 234.43 | 474.68 |
| * 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. | | |

| 11. Current Financial Assets - Loans (Unsecured, considered good) | | |
|--|---------------|-----------------|
| Loan to related parties (refer note 35) | 211.28 | 92.74 |
| Loans to other Body Corporates | - | 6,921.52 |
| | 211.28 | 7,014.26 |
| Details of loans under section 186(4) of the Companies Act, 2013 | | |
| Shalimar Corp Limited | - | 4,421.52 |
| Nihin Impex Private Limited | - | 2,500.00 |
| GL Steel and Power Limited (wholly owned subsidiary) | 211.28 | 92.74 |

| 11A. Other financial assets | | |
|-------------------------------------|--------------|-------------|
| Interest accrued on fixed deposits | 2.94 | 5.59 |
| Others | 7.96 | 3.21 |
| Total other financial assets | 10.90 | 8.80 |

| 12. Other current assets | | |
|---|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Advance with public bodies | | |
| Balance with Statutory and Government authorities | 508.17 | 381.19 |
| Advance to suppliers | 500.54 | 97.24 |
| Other advances and prepayments | | |
| Prepayments | 52.57 | 36.10 |
| Others | 4.03 | 58.07 |
| Total other current assets | 1,065.31 | 572.60 |

| 13. Share capital | | |
|--|-----------------|-----------------|
| Authorised: | | |
| 8,30,00,000 (P.Y. 8,30,00,000) Equity Shares of ₹ 10 each | 8,300.00 | 8,300.00 |
| Issued, Subscribed and fully paid up: | | |
| 8,13,22,324 (P.Y. 8,13,22,324) Equity Shares of ₹ 10 each | 8,132.23 | 8,132.23 |
| | 8,132.23 | 8,132.23 |

Reconciliation of Number of Shares and amount outstanding at the beginning and end of the reporting period

| | For the period ended 31.03.2019 | | For the period ended 31.03.2018 | |
|--|------------------------------------|-------------------|------------------------------------|-------------------|
| | No. of Shares | Amount ₹ Lakhs | No. of Shares | Amount ₹ Lakhs |
| Equity shares | | | | |
| Issued, subscribed and fully paid up: | | | | |
| At beginning and end of the year | 8,13,22,324 | 8,132.23 | 8,13,22,324 | 8,132.23 |
| Issued during the year | - | - | - | - |
| At end of the year | 8,13,22,324 | 8,132.23 | 8,13,22,324 | 8,132.23 |

Rights, preferences and restrictions attached to shares

Equity Shares

- The company has one class of equity shares having a par value of Rs.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.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholders | For the period ended 31.03.2019 | | For the period ended 31.03.2018 | |
|-------------------------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | 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 |
| Lexi Exports Pvt. Limited | 1,19,30,679 | 14.67 | 1,19,77,179 | 14.73 |
| Richie Credit and Finance Pvt. Ltd. | 50,20,194 | 6.17 | 46,07,635 | 5.67 |
| Hipoline Commece Pvt. Ltd. | 90,83,128 | 11.17 | 73,65,284 | 9.06 |

| 14. Other Equity | | |
|---|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Securities premium | 1,050.00 | 1,050.00 |
| Retained Earnings | 38,914.73 | 31,997.18 |
| Other Comprehensive Income | 50.50 | 44.85 |
| Total other equity | 40,015.23 | 33,092.03 |
| Securities Premium | | |
| Opening and closing balance | 1,050.00 | 1,050.00 |
| Retained Earnings | | |
| Opening balance | 31,997.18 | 27,063.89 |
| Profit for the period | 7,162.65 | 4,933.29 |
| Less : Dividend | (203.31) | - |
| Tax On Dividend | (41.79) | - |
| Closing balance | 38,914.73 | 31,997.18 |
| Other Comprehensive Income | | |
| Opening Balance | 44.85 | 48.17 |
| Other Comprehensive Income for the year | 8.69 | (5.08) |
| Less : Tax impact on above | 3.04 | (1.76) |
| Closing Balance | 50.50 | 44.85 |
| | 40,015.23 | 33,092.03 |

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 31.03.2019 | As at 31.03.2018 |
| Provision for employee benefits | | |
| Retirement gratuity | 57.85 | 28.32 |
| Total provisions | 57.85 | 28.32 |

| 16. Current Financial Liabilities - Borrowings | | |
|--|-----------------|-----------------|
| A. Secured - at amortised cost | | |
| (a) Repayable on demand | | |
| From banks | | |
| Cash credit | 1,594.66 | 3,912.21 |
| (b) Other loans | | |
| From banks | | |
| Buyer's credit | - | 1,056.75 |
| e-VFS from State Bank of India | - | 500.64 |
| Foreign currency loan (supplier credit) | 2,450.46 | - |
| Rupee loan (Bill discounting) | 1,081.37 | - |
| Total secured borrowings | 5,126.49 | 5,469.60 |
| Total borrowings | 5,126.49 | 5,469.60 |

- 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

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

of the company viz. land and building situated in Kutch, Gujarat.

3. The above working capital loan from bank is secured by collateral security by pledge of 5,10,500 (P.Y. 5,10,500) equity share of the company held by promoters.
4. The above working capital loans is guaranteed by the corporate guarantee of M/s Hipoline Commerce Pvt. Ltd.
5. The above working capital loan is guaranteed by the personal guarantee of Sri C. P. Agrawal, Sri Dinesh Raghuraj Prasad Agarwal and Sri Nitin Mahabir Prasad Kandoi, Directors of the company.
6. 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 31.03.2019 | As at 31.03.2018 |
| Foreign currency forward contracts | 28.61 | - |
| Total derivative liabilities | 28.61 | - |

| 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 | 1,846.06 | 7,891.09 |
| Total Trade Payables | 1,846.06 | 7,891.09 |

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, 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

| 19. Current Financial Liabilities - Others | | |
|--|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Creditors for accrued wages and salaries | 421.93 | 297.05 |
| Creditors for purchase of fixed assets | 159.95 | - |
| Unclaimed Dividend | 0.75 | - |
| Total other current financial liabilities | 582.63 | 297.05 |

| 20. Current Provisions | | |
|---------------------------------|--------------|--------------|
| Provision for employee benefits | | |
| i). Post retirement gratuity | 57.07 | 44.13 |
| | 57.07 | 44.13 |

| 21. Other current liabilities | | |
|--|---------------|-----------------|
| Advance received from customers | 28.48 | 1.31 |
| Employee recoveries and employer's contributions | 10.52 | 10.12 |
| Statutory dues | 469.63 | 1,025.95 |
| Other credit balances | 4.27 | 4.27 |
| Total other current liabilities | 512.90 | 1,041.65 |

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

| 22. Revenue from operations | | |
|--|--|--|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Sale of Products | | |
| Sale of manufactured goods | 1,03,527.48 | 82,284.46 |
| Sale of traded goods | 1,844.21 | 1,264.32 |
| Other Operating Revenue | 1,006.84 | 1,009.26 |
| Revenue from Operations (Net) | 1,06,378.53 | 84,558.04 |
| 23. Other income | | |
| Interest income from financial assets measured at amortised cost | | |
| From fixed deposits | 26.63 | 20.86 |
| From loans to subsidiaries and associates | 17.83 | 0.27 |
| From Others | 385.16 | 417.67 |
| Dividend income | | |
| From associate | 72.52 | 36.26 |
| Profit on sale of current investemnt | 12.88 | - |
| Other non operating income | 25.19 | 1.17 |
| Total other income | 540.21 | 476.23 |
| 24. Cost of materials consumed | | |
| Raw materials & components consumed | | |
| Opening stock | 7,933.03 | 6,248.42 |
| Add: Purchases | 77,892.84 | 61,664.27 |
| | 85,825.87 | 67,912.69 |
| Less: Closing stock | 6,711.98 | 7,933.03 |
| Total raw materials consumed | 79,113.89 | 59,979.66 |
| Notes: | | |
| i) Manufactured goods consumed for own use ₹ 294.11 lacs (P.Y. ₹ 133.33 lacs) deducted from raw material consumed at cost price. | | |
| 25. Changes in inventories of finished products and work in progress | | |
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Inventories at the beginning of the year/period | | |
| Finished products | 1,156.43 | 1,973.74 |
| Work-in-progress | 33.48 | 30.21 |
| | 1,189.91 | 2,003.95 |
| Less: Inventories at the end of the year/period | | |
| Finished products | 2,589.57 | 1,156.43 |
| Work-in-progress | 32.97 | 33.48 |
| | 2,622.54 | 1,189.91 |
| Net (increase)/decrease | (1,432.63) | 814.04 |
| 26. Employee Benefit Expenses | | |
| Salaries and wages, including bonus | 2,800.87 | 2,363.61 |
| Company's contribution to provident and other funds | 106.80 | 95.89 |
| Workmen and staff welfare expenses | 82.23 | 58.77 |
| Total employee benefits expense | 2,989.90 | 2,518.27 |

| 27. Finance costs | | |
|--|--|--|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Interest expense | 333.75 | 469.39 |
| Other Borrowing costs | 265.24 | 186.77 |
| Total finance costs | 598.99 | 656.16 |
| 28. Depreciation and amortisation expense | | |
| Depreciation on tangible assets | 1,409.29 | 1,496.96 |
| Total depreciation expense | 1,409.29 | 1,496.96 |
| 29. Excise duty | | |
| Excise duty on sale of finished products | - | 2,369.79 |
| (Increase)/decrease in excise duty on finished products | - | (219.30) |
| Total Excise duty expense | - | 2,150.49 |
| 30. Other expenses | | |
| Consumption of stores, spare parts and loose tools | 1,956.88 | 1,693.20 |
| Repairs to buildings | 59.77 | 65.75 |
| Repairs to plant and machinery | 314.01 | 317.93 |
| Repairs to others | 37.86 | 30.53 |
| Power and fuel | 3,530.28 | 2,518.44 |
| Other manufacturing expenses | 1,844.13 | 1,589.61 |
| Rent | 3.82 | 5.97 |
| Rates, taxes and licenses | 23.01 | 37.38 |
| Insurance charges | 50.92 | 57.61 |
| Freight and handling charges | 2,673.82 | 2,199.18 |
| Commission and brokerage | 53.58 | 131.76 |
| Selling expenses | 285.72 | 270.31 |
| Loss /(gain) on foreign currency transaction (net) | 99.41 | 0.62 |
| Loss on sale/discard of assets | 65.34 | 1.37 |
| Corporate social responsibility expenses | 101.79 | 75.30 |
| Other general expenses | 351.40 | 383.97 |
| Total other expenses | 11,451.74 | 9,378.93 |
| 30. Other expenses | | |
| Note: | | |
| Auditor's Remuneration (included in other general expenses) | | |
| Audit Fee | 4.50 | 4.50 |
| Tax Audit Fee | 0.50 | 0.50 |
| Other Services (certification fee) | 0.50 | 0.50 |
| Reimbursement of expenses | 0.87 | 0.93 |
| | 6.37 | 6.43 |

| 31. Income tax recognised in profit and loss | | |
|--|--|--|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Current tax | | |
| Current Tax Expenses | 2,354.63 | 1,472.01 |
| Mat credit availed / (entitlement) | 1,231.01 | 623.17 |
| Income Tax Expenses | 3,585.64 | 2,095.18 |
| In respect of prior years | 11.92 | 1.82 |
| Income tax expenses including earlier year tax | 3,597.56 | 2,097.00 |
| Deferred tax | | |
| Deferred tax (assets) / liabilities of the current year | 239.30 | (96.76) |
| Deferred tax (assets) / liabilities in other comprehensive income | 3.04 | (1.76) |
| | 242.34 | (98.52) |
| Total tax expense | 3,839.90 | 1,998.48 |
| The income tax expense for the year can be reconciled to the accounting profit (loss) as follows: | | |
| Profit before tax as per statement of Profit and Loss | 10,999.51 | 6,933.53 |
| Accounting Profit before tax | 10,999.51 | 6,933.53 |
| Applicable Income Tax rate | 34.944% | 34.608% |
| Computed income tax expense | 3,843.67 | 2,399.56 |
| Effect of income that is exempt from tax | (25.34) | (12.55) |
| Effect of expenses that are not deductible in determining taxable profit | 60.21 | 27.30 |
| Effect of timing difference of Depreciation | (312.04) | (347.09) |
| Effect of timing difference of liabilities | 19.14 | 27.96 |
| | 3,585.64 | 2,095.18 |
| Reconciliation of deferred tax (assets) / liabilities | | |
| Effect of written down value | 263.50 | (47.26) |
| Effect of timing difference of liabilities | (24.20) | (49.5) |
| Effect of timing difference of liabilities in other comprehensive income | 3.04 | (1.76) |
| | 242.34 | (98.52) |

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.

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.

(i) Segment revenue and results

Segment revenue

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--------------------------------------|----------------------------------|----------------------------------|
| Steel | 1,06,378.53 | 84,558.04 |
| Power | 15,177.64 | 14,824.20 |
| Unallocated Other income (Net) | 540.21 | 476.23 |
| | 1,22,096.38 | 99,858.47 |
| Inter-segment revenue | 15,177.64 | 14,824.20 |
| Total | 1,06,918.74 | 85,034.27 |
| Segment Results | | |
| Steel | 5,962.37 | 2,139.62 |
| Power | 5,095.92 | 4,973.84 |
| Total Segment Result | 11,058.29 | 7,113.46 |
| Interest | 598.99 | 656.16 |
| Other unallocated expenses /(income) | (540.21) | (476.23) |
| Profit /(Loss) before taxes | 10,999.51 | 6,933.53 |

(ii) Segment assets and liabilities

Segment assets

| | As at 31.03.2019 | As at 31.03.2018 |
|---|---------------------|---------------------|
| Steel | 35,131.12 | 33,618.74 |
| Power | 16,710.89 | 9,680.63 |
| Total segment assets | 51,842.01 | 43,299.37 |
| Unallocated | 4,532.57 | 12,753.14 |
| Total assets | 56,374.58 | 56,052.51 |
| Segment liabilities | | |
| Steel | 8,211.61 | 14,771.84 |
| Power | - | - |
| Total segment liabilities | 8,211.61 | 14,771.84 |
| Unallocated | 15.51 | 56.37 |
| Shareholders' Fund | 48,147.46 | 41,224.26 |
| Total liabilities | 56,374.58 | 56,052.47 |
| Capital Expenditure | | |
| Steel | 3030.51 | 1952.20 |
| Power | 7354.97 | - |
| Depreciation | | |
| Steel | 1,019.80 | 1,105.72 |
| Power | 389.49 | 391.24 |
| Total depreciation | 1,409.29 | 1,496.96 |
| Customer contributing more than 10% of revenue | | |
| Gallantt Steel Distributors | 12,631.75 | 10,958.79 |
| Rajasthan Steel | 12,649.24 | - |
| Tulsi Gallantt Agency | - | 8,467.42 |

| 33. Earnings per share | | |
|---|----------------------------------|----------------------------------|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Basic and diluted earnings per share | | |
| 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 | 7,162.65 | 4,933.29 |
| Weighted average number of equity shares for the purposes of basic earnings per share | 8,13,22,324 | 8,13,22,324 |
| Basic & Diluted earnings per share | 8.81 | 6.07 |

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 ₹ 55.64 lacs (previous year ₹ 52.70 lacs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 51.15 lacs (previous year ₹ 43.19 lacs) has been included in Note 26 Employee Benefit Expenses.

(iii) The amount recognised in the Company's financial statements as at the year end as under:

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--|----------------------------------|----------------------------------|
| Movement in the present value of the defined benefit obligation | | |
| Opening defined benefit obligation | 150.66 | 97.81 |
| Current service cost | 45.08 | 40.88 |
| Interest cost | 12.05 | 6.71 |
| Actuarial (gains)/ loss on obligation | (8.53) | 5.26 |
| Benefits paid | - | - |
| Closing defined benefit obligation | 199.26 | 150.66 |

| | For the year ended 31.03.2019 | | For the year ended 31.03.2018 | |
|--|---|--|---|--|
| Movement in the fair value of the plan assets | | | | |
| Opening fair value of plan assets | 78.21 | | 72.25 | |
| Interest income on plan assets | 5.98 | | 5.78 | |
| Employer's contribution | - | | - | |
| Actuarial (gains)/ loss on Plan Assets | 0.16 | | 0.18 | |
| Benefits paid | - | | - | |
| Closing fair value of plan assets | 84.35 | | 78.21 | |
| Components of defined benefit costs recognised in profit and loss | | | | |
| Current service cost | 45.08 | | 40.88 | |
| Interest expenses on defined benefit obligation | 12.05 | | 6.71 | |
| Interest (income) on plan assets | (5.98) | | (5.78) | |
| Defined benefit cost included in Profit & Loss Account | 51.15 | | 41.81 | |
| Components of defined benefit costs recognised in other comprehensive income | | | | |
| Actuarial (gains)/ loss on obligation for the year | (8.53) | | 5.26 | |
| Return on plan assets (excluding interest income) | (0.16) | | (0.18) | |
| Total defined benefit cost recognised in OCI | (8.69) | | 5.08 | |
| Amount recognised in the statement of financial position | | | | |
| Present value of obligation at the end of the year ¹ | 199.26 | | 150.66 | |
| Fair value of Plan Assets at the end of the year | (84.35) | | (78.21) | |
| Net defined benefit liability / (assets) | 114.91 | | 72.45 | |
| Of which Short term liability | 57.06 | | 44.13 | |
| Estimated contribution to be made in next financial year | 57.45 | | 36.22 | |
| Actuarial Assumptions | | | | |
| Discount Rate | 7.65% | | 8.00% | |
| Expected Rate of Return on plan Assets | | | | |
| Salary Escalation rate | 5.00% | | 5.00% | |
| Employee Turnover | | | | |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | | Indian Assured Lives Mortality (2012-14) Ultimate | |
| Assets Information | | | | |
| Gratuity Fund (SBI Life) | 84.35 | | 78.21 | |
| Target allocation | 100% | | 100% | |
| 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 31.03.2019 | | For the year ended 31.03.2018 | |
|--------------------------------------|----------------------------------|------------|----------------------------------|------------|
| | (Increase) | (Decrease) | (Increase) | (Decrease) |
| Discount Rate (1% movement) | 187.97 | 212.19 | 142.18 | 160.39 |
| Salary escalation rate (1% movement) | 213.14 | 186.75 | 161.17 | 141.09 |
| Withdrawal rate (1% movement) | 200.31 | 197.94 | 151.53 | 149.57 |

35. Related Party Disclosures

| | | |
|-------|--|---|
| (i) | Related parties where control exists | |
| | Subsidiary Company | |
| | GL Steel and Power Limited' | |
| (ii) | Related parties with whom transactions have taken place during the year | |
| | Gallantt Ispat Limited | (Associate company) |
| | Ganesh Laxmi Processors Private Ltd | (Company under common control) |
| | Gallantt Foundation | (Trust under common control) |
| (iii) | Key Management personnel | |
| | Mr. Chandra Prakash Agrawal | Chairman and Managing Director |
| | Mr. Dinesh Raghubir Prasad Agarwal | Whole-time Director |
| | Mr. Prashant Jalan | Director |
| | Mr. Sandip Kumar Agarwal | Chief Financial Officer |
| | Mr. Rajesh Upadhyay | Company Secretary (resigned on 31.03.2018) |
| | Mr. Tarun Kumar Rathi | Company Secretary |
| (iv) | Relative of key management personnel | |
| | Mr. Akash Agarwal | (Son of Mr. Dinesh Raghubir Prasad Agarwal) |
| | Mrs. Ritu Agarwal | (Wife of Mr. Sandip Kumar Agarwal) (resigned on 01.04.2018) |

Related party Transactions

| Name of the related party | Nature of transaction | 31 March, 2019 | 31 March, 2018 |
|--------------------------------------|--------------------------|----------------|----------------|
| GL Steel and Power Limited' | Loan given | 102.50 | 92.50 |
| | Interest income | 17.82 | 0.27 |
| | Investment | - | 5.88 |
| Gallantt Ispat Limited | Loan given | 600.00 | - |
| | Loan given (refund back) | 600.00 | - |
| | Loan taken | 750.00 | - |
| | Loan taken (refund) | 750.00 | - |
| | Sale of product | 22.80 | 22.12 |
| | Purchase of products | 84.89 | 14.24 |
| | Interest income | 0.01 | - |
| Ganesh Laxmi Processors Private Ltd. | Sale of product | 70.85 | 9.14 |
| | Purchase of products | 2.62 | 7.86 |
| Gallantt Foundation | Contribution in CSR | 35.00 | 40.00 |
| Mr. Chandra Prakash Agrawal | Remuneration | 21.60 | 20.40 |
| Mr. Dinesh Raghubir Prasad Agarwal | Remuneration | 352.67 | 20.40 |
| Mr. Prashant Jalan | Remuneration | 6.73 | 6.73 |
| Mr. Sandip Kumar Agarwal | Remuneration | 13.34 | 12.00 |
| Mr. Rajesh Upadhyay | Remuneration | - | 12.73 |
| Mr. Tarun Kumar Rathi | Remuneration | 4.94 | - |
| Mr. Akash Agarwal | Remuneration | 26.65 | 21.67 |
| Mrs. Ritu Agarwal | Remuneration | - | 6.89 |
| Outstanding Balance | | | |
| Name of the related party | Nature of transaction | 31 March, 2019 | 31 March, 2018 |
| GL Steel and Power Limited' | Loan given | 211.28 | 92.74 |
| Ganesh Laxmi Processors Private Ltd. | Sale of products | - | 5.92 |

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 31.03.2019 | As at 31.03.2018 |
|---------------------------------|---------------------|---------------------|
| Debt | | |
| Current borrowings | (5,126.49) | (5,469.60) |
| Cash and bank balances | 250.04 | 486.40 |
| Net debt | (4,876.45) | (4,983.20) |
| Total equity | 48,147.46 | 41,224.26 |
| Equity share capital | 8,132.23 | 8,132.23 |
| Other equity | 40,015.23 | 33,092.03 |
| Net debt to equity ratio | (0.10) | (0.12) |

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.

Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

| | Currency | As at 31.03.2019 | As at 31.03.2018 |
|--------------------------------|----------|------------------|------------------|
| Financial Liabilities | | | |
| Hedged | | | |
| Borrowings - Suppliers' Credit | USD | 34.87 | - |
| | INR | 2,450.46 | - |
| Unhedged | | | |
| Trade Payable | USD | 0.51 | 99.30 |
| | INR | 34.83 | 6,471.06 |
| Borrowings - 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 31.03.2019 | As at 31.03.2018 |
|-------------|------------------|------------------|
| Others | 3,756.88 | 5,051.87 |
| | 3,756.88 | 5,051.87 |

(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.

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 31.03.2019 | Carrying amount | Less than 1 month | 1 to 5 years | > 5 years |
|-----------------------------|-----------------|-------------------|--------------|-----------|
| Short term borrowings | 5,126.49 | 5,126.49 | - | - |
| Derivative liabilities | 28.61 | 28.61 | - | - |
| Trade payables | 1,846.06 | 1,846.06 | - | - |
| Other financial liabilities | 582.63 | 582.63 | - | - |

| As at 31.03.2019 | Carrying amount | Less than 1 month | 1 to 5 years | > 5 years |
|-----------------------------|-----------------|-------------------|--------------|-----------|
| As at 31.03.2018 | | | | |
| Short term borrowings | 5,469.60 | 5,469.60 | - | - |
| Derivative liabilities | - | - | - | - |
| Trade payables | 7,891.09 | 7,891.09 | - | - |
| Other financial liabilities | 297.05 | 297.05 | - | - |

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 31.03.2019 | As at 31.03.2018 |
|-----------------------------------|------------------|------------------|
| Financial Assets: | | |
| Investment - Non -current | 4,266.08 | 4,266.08 |
| Security deposits - Non - current | 92.68 | 76.68 |
| Trade receivables | 3,756.88 | 5,051.87 |
| Cash and cash equivalents | 154.86 | 453.72 |
| Other bank balances | 95.18 | 32.68 |
| Loan - Current | 211.28 | 7,014.26 |
| Other Financial assets - Current | 10.90 | 8.80 |
| Total | 8,587.86 | 16,904.09 |
| Financial Liabilities | | |
| Borrowings - Current | 5,126.49 | 5,469.60 |
| Trade payable | 1,846.06 | 7,891.09 |
| Derivative financial liabilities | 28.61 | - |
| Other financial liabilities | 582.63 | 297.05 |
| Total | 7,583.79 | 13,657.74 |

39. Commitments

| | | |
|--|----------|----------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 4,384.78 | 5,006.54 |
|--|----------|----------|

Notes forming part of the financial statements

(₹ in lacs)

40. Contingent liabilities

| | | As at 31.03.2019 | As at 31.03.2018 |
|--------|---|------------------|------------------|
| (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 |
| (ii) | 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 |
| (iii) | 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 |
| (iv) | 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 |
| (v) | Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same). | 80.04 | 80.04 |
| (vi) | Income Tax (A.Y. -2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund) | 21.69 | 21.69 |
| (vii) | Income Tax (A.Y. -2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund) | 48.07 | 48.07 |
| (viii) | 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 |
| (ix) | 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 |
| (x) | Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorithies. | 423.43 | 158.33 |

Notes:

- 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.
- 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. Dividend on Equity Shares

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Cash dividend on equity share declared and paid | | |
| Final dividend for the year ended 31st March 2018 : | - | 203.31 |
| ₹ 0.25 per share (31st March 2017 ₹ Nil) | | |
| Dividend distribution tax on final dividend | - | 41.79 |
| Total dividend paid | - | 245.10 |

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| Proposed Dividend (*) | | |
| ₹ 0.25 per share (31st March 2018 ₹ 0.25) | 203.31 | 203.31 |
| Dividend distribution tax on final dividend | 41.79 | 41.79 |
| Total dividend proposed | 245.10 | 245.10 |

(*) 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.

42. Corporate Social Responsibility Contribution (CSR Expenses)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|------------------|------------------|
| Gross amount required to be spent by the company during the year | 94.13 | 72.79 |
| Amount spent during the year on | | |
| Construction / acquisition of any fixed assets | - | - |
| On purpose other than (i) above | 101.79 | 75.30 |

43. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

44. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.
45. 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 : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERSTo the Members of **Gallantt Metal Limited****Report on the audit of the Consolidated Ind AS Financial Statements****Opinion**

We have audited the accompanying consolidated Ind As financial statements of **Gallantt Metal Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its associate, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind As financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 and its associate as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in

the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

| Key Audit Matters | How our audit assessed the key audit matter |
|---|--|
| Revenue from sale of products (Refer Note 2.2 of the standalone Ind AS financial statements) | Revenue from sale of products (Refer Note 2.2 of the standalone Ind AS financial statements) |
| The Holding Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the Consolidated Ind AS financial statements. | Following procedures have been performed to address this key audit matter: <ul style="list-style-type: none"> • Considered the Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. • Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. • Assessed the relevant disclosures made within the Consolidated Ind AS financial statements. |
| Assessment of litigations and related disclosure of contingent liabilities (Refer Note no. 2.11 and Note no. 40 of the Standalone Financial Statement) | Assessment of litigations and related disclosure of contingent liabilities (Refer Note no. 2.11 and Note no. 40 of the Standalone Financial Statement) |

| Key Audit Matters | How our audit assessed the key audit matter |
|--|--|
| <p>As of March 31, 2019, the Holding Company has disclosed contingent liabilities of ₹ 1,614.57 Lakhs relating to tax and legal claims. Taxation, arbitration and litigation exposures have been identified as a key audit matter due to the uncertainties and timescales involved for the resolution of these claims.</p> <p>Accordingly, there is judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Consolidated Ind AS financial statements.</p> | <p>Following procedures have been performed to address this key audit matter</p> <ul style="list-style-type: none"> • Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. • Discussed and analysed material legal cases with the Holding Company's legal department. • Analysed the responses obtained from the Holding Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described. • Received confirmation obtained by the Holding Company from their legal counsel / consultants on a samples basis. • Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the Consolidated Ind AS financial statements. • Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters. |

Other Matter

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of 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 change of equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records

in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Other Matters

We did not audit the financial statements and other financial information of one subsidiary whose financial statements reflect total assets of Rs. 216.01 Lakhs as at 31st March, 2019, total revenues of Rs. Nil, total net profit/(loss) Nil, the total comprehensive income/loss of Rs. Nil and net cash flows amounting to Rs. 1.52 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 3271.54 Lakhs for the year ended 31st March, 2019 and total comprehensive income of Rs. 3271.98 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements and financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors which Ind AS financial statements, other financial information and auditor's report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and 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 Ind AS 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 other comprehensive income, the Consolidated Cash Flow Statement and consolidated Statement of Changes in

equities dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian 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, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to the subsidiary incorporated in India for the year ended March 31, 2019.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates – Refer Note 40 to the consolidated Ind AS financial statements.
 - ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

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

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

Place: Gorakhpur
Dated: April 29, 2019

Membership Number: 052751

Annexure A

Responsibilities for Audit of Consolidated Ind AS Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements

of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

(A. K. Khetawat)

Partner

Place: Gorakhpur
Dated: April 29, 2019

Membership Number: 052751

Annexure - B to the Auditors' 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 **M/S GALLANTT METAL LIMITED** ("the Holding Company") and its subsidiary and associate (collectively referred to as "the Group"), as of 31 March 2019 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 2019, 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.

Place: Gorakhpur
Dated: April 29, 2019

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E
(A. K. Khetawat)
Partner
Membership Number: 05275

Consolidated Balance Sheet as at 31st March 2019

(₹ in lacs)

| | Notes | As at 31.03.2019 | As at 31.03.2018 |
|--|-------|---------------------|---------------------|
| (I) ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 03 | 20,790.22 | 21,881.97 |
| (b) Intangible Asset | | 3.15 | 3.15 |
| (c) Capital work in progress | | 12,748.00 | 2,860.21 |
| | | 33,541.37 | 24,745.33 |
| (d) Financial assets | | | |
| (i) Investments | 04 | 19,619.77 | 16,362.49 |
| (ii) Other financial assets | 05 | 92.68 | 76.68 |
| (e) Other non-current assets | 06 | 2,141.60 | 1,392.69 |
| (f) Deferred tax assets (Net) | 07 | (41.62) | 1,431.73 |
| (g) Advance Income tax assets (net) | | 65.10 | 73.51 |
| | | 55,418.90 | 44,082.43 |
| (2) Current Assets | | | |
| (a) Inventories | 08 | 11,072.50 | 10,978.77 |
| (b) Financial assets | | | |
| (i) Trade receivables | 09 | 3,756.88 | 5,051.87 |
| (ii) Cash and cash equivalent | 10(a) | 157.41 | 454.75 |
| (iii) Other balances with bank | 10(b) | 254.26 | 182.45 |
| (iv) Loans | 11 | - | 6,921.52 |
| (v) Other financial assets | 11A | 10.90 | 8.80 |
| (c) Other current assets | 12 | 1,065.30 | 572.60 |
| | | 16,317.24 | 24,170.75 |
| TOTAL ASSETS | | 71,736.14 | 68,253.18 |
| (II) EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity share capital | 13 | 8,132.23 | 8,132.23 |
| (b) Other equity | 14 | 55,374.79 | 45,194.31 |
| | | 63,507.02 | 53,326.54 |
| (2) Non-current liabilities | | | |
| (a) Provisions | 15 | 57.85 | 28.32 |
| | | 57.85 | 28.32 |
| (3) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 5,126.49 | 5,567.15 |
| (ii) Derivative liabilities | 17 | 28.62 | - |
| (iii) Trade payables | 18 | 1,846.06 | 7,891.09 |
| (iv) Other financial liabilities | 19 | 582.64 | 297.05 |
| (b) Provisions | 20 | 57.06 | 44.13 |
| (c) Other current liabilities | 21 | 514.89 | 1,042.53 |
| (d) Current Income tax liabilities (net) | | 15.51 | 56.37 |
| | | 8,171.27 | 14,898.32 |
| TOTAL EQUITY AND LIABILITIES | | 71,736.14 | 68,253.18 |

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No : 313132E

(A. K. Khetawat)

Partner

Membership No.: 52751

Place : Gorakhpur

Dated : April 29, 2019

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(₹ in lacs)

| | Notes | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--|-------|----------------------------------|----------------------------------|
| (1) Revenue from operations | 22 | 1,06,378.53 | 84,558.04 |
| (2) Other income | 23 | 540.21 | 476.23 |
| (3) Total Revenue (1) + (2) | | 1,06,918.74 | 85,034.27 |
| (4) EXPENSES | | | |
| (a) Cost of materials consumed | 24 | 79,113.89 | 59,979.66 |
| (b) Purchase of stock in trade | | 1,788.05 | 1,106.23 |
| (c) Changes in inventories of finished products and work in progress | 25 | (1,432.63) | 814.04 |
| (d) Employee benefits expense | 26 | 2,989.90 | 2,518.27 |
| (e) Finance costs | 27 | 598.99 | 656.16 |
| (f) Depreciation expense | 28 | 1,409.29 | 1,496.96 |
| (g) Excise duty | 29 | - | 2,150.49 |
| (h) Other expenses | 30 | 11,451.74 | 9,378.93 |
| Total Expenses (4) | | 95,919.23 | 78,100.74 |
| (5) Profit before tax (3) - (4) | | 10,999.51 | 6,933.53 |
| (6) Tax Expense | | | |
| (a) Current tax | | | |
| (i) Current tax for current period | | 3,585.64 | 2,095.18 |
| (ii) Current tax for the previous years | | 11.92 | 1.82 |
| (b) Deferred tax | | | |
| (i) Deferred tax for current period | | 239.30 | (96.76) |
| Total tax expense (6) | | 3,836.86 | 2,000.24 |
| (7) Profit for the period (5) - (6) | | 7,162.65 | 4,933.29 |
| (8) Share of Profit from Associate | | 3,271.54 | 1,340.67 |
| (9) Profit for the period | | 10,434.19 | 6,273.96 |
| (10) Other comprehensive income (OCI) | | | |
| (a) Items that will not be reclassified to statement of profit and loss | | | |
| (i) Remeasurement of the employees defined benefit plans | | 8.69 | (5.08) |
| (ii) Share of OCI from Associate | | 0.44 | 4.43 |
| (iii) Less :Income tax relating to items that will not be reclassified to profit or loss | | 3.04 | (1.76) |
| Total other comprehensive income (10) | | 6.10 | 1.11 |
| (11) Total comprehensive income for the period (9) + (10) | | 10,440.29 | 6,275.07 |
| (12) Earnings per equity share: (Face value of share of ₹ 10 each) | 33 | | |
| (a) Basic | | 12.83 | 7.71 |
| (b) Diluted | | 12.83 | 7.71 |

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 : April 29, 2019

Chandra Prakash Agrawal

Dinesh Raghubir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

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Board & Management Report

Standalone Financial Report

Consolidated Financial Report

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

(₹ in lacs)

A. Equity Share Capital

| Particulars | Amount |
|--|-----------------|
| Balance as at 1st April 2017 | 8,132.23 |
| Changes in equity share capital during the year ended March 31, 2018 | - |
| Balance as at 31st March 2018 | 8,132.23 |
| Changes in equity share capital during the year ended March 31, 2019 | - |
| Balance as at 31st March 2019 | 8,132.23 |

B. Other Equity

| Statement of changes in Equity | Reserves and surplus | | | Items of OCI | Total Equity |
|---|----------------------|------------------|-------------------|--|------------------|
| | Capital Reserve | Security Premium | Retained Earnings | Remeasurement of defined benefit liability | |
| Balance at April 1, 2017 | 4,300.68 | 1,050.00 | 28,594.00 | 56.11 | 34,000.79 |
| Total comprehensive income for the year ended 31.03.2018 | | | | | |
| Profit for the year | - | - | 6,273.96 | - | 6,273.96 |
| Other Comprehensive Income | - | - | - | 1.11 | 1.11 |
| Change in share of associates | 4,918.45 | - | - | - | 4,918.45 |
| Balance at March 31, 2018 | 9,219.13 | 1,050.00 | 34,867.96 | 57.22 | 45,194.31 |
| Total comprehensive income for the year ended 31.03.2019 | | | | | |
| Profit for the period | - | - | 10,434.19 | - | 10,434.19 |
| Other Comprehensive Income | - | - | - | 6.09 | 6.09 |
| Change in share of associates | (14.70) | - | - | - | (14.70) |
| Total Comprehensive income | 9,204.43 | 1,050.00 | 45,302.15 | 63.31 | 55,619.89 |
| Transaction with owners, recorded directly in equity contributions by and distribution to owners | | | | | |
| Dividend (including dividend distribution tax) | - | - | (245.10) | - | (245.10) |
| Total contribution by and distribution to owner | - | - | (245.10) | - | (245.10) |
| Balance at March 31, 2019 | 9,219.13 | 1,050.00 | 45,057.05 | 63.31 | 55,374.79 |

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 : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal

Dinesh Raghbir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in lacs)

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| A. Cash Flow from Operating activities: | | |
| Profit for the period | 10,999.51 | 6,933.53 |
| <i>Adjustments for:</i> | | |
| Income tax expenses recognised in the statement of profit and loss | | |
| Depreciation expense | 1,409.29 | 1,496.96 |
| Interest income | (429.62) | (438.80) |
| Interest expenses | 333.75 | 469.39 |
| Remeasurement Gain / (Loss) on defined benefit plan | 8.69 | (5.08) |
| Net (Gain)/Loss on derivative instruments | 28.60 | - |
| (Profit)/loss on sale of property, plant & equipments | 65.34 | 1.37 |
| Liabilities/provision no longer required written back | 0.15 | (1.17) |
| Share of Profit/ (Loss) from Associates | 3,271.98 | 1,345.10 |
| Operating profit before working capital changes | 15,687.70 | 9,801.31 |
| <i>Adjustments for (increase)/decrease in operating assets</i> | | |
| Inventories | (93.73) | (1,117.53) |
| Trade receivables | 1,294.99 | (1,649.05) |
| Non-current financial Assets | (16.00) | (6.15) |
| Other non-current assets | 1.95 | (559.59) |
| Current financial assets | (4.74) | 4.21 |
| Other current assets | (492.72) | 940.88 |
| <i>Adjustments for increase/(decrease) in operating liabilities</i> | | |
| Trade Payables | (6,045.03) | 5,687.86 |
| Current financial liabilities | 125.64 | 71.15 |
| Other current liabilities | (527.65) | 395.18 |
| Provisions | 42.31 | 48.06 |
| Cash generated from operations | 9,972.71 | 13,616.32 |
| Direct taxes paid | (2,399.00) | (1,435.62) |
| Net cash generated from operating activities | 7,573.71 | 12,180.70 |
| B. Cash Flow from Investing activities: | | |
| Purchase of property, plant and equipment | (10,976.39) | (2,543.12) |
| Sale of property, plant & equipment | 114.85 | 10.70 |
| Investment in Shares | (3,271.98) | (1,345.10) |
| Movement in loans and advances | 6,921.52 | (6,068.16) |
| Movement in fixed deposit held as margin | (71.81) | (138.32) |
| Interest received | 432.27 | 433.21 |
| Net cash (used in) investing activities | (6,851.54) | (9,650.79) |

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Board & Management Report

Standalone Financial Report

Consolidated Financial Report

Consolidated Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| C. Cash Flow from Financing activities: | | |
| Repayment of short term borrowings | (440.66) | (1,850.97) |
| Interest paid | (333.75) | (469.39) |
| Dividend Paid | (203.31) | - |
| Dividend distribution tax paid | (41.79) | - |
| Net cash (used in) financing activities | (1,019.51) | (2,320.36) |
| Net increase/(decrease) in cash and cash equivalents | (297.33) | 209.55 |
| Cash and cash equivalents as at 1st April | 454.75 | 245.20 |
| Cash and cash equivalents as at 31st March | 157.41 | 454.75 |

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(a))
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 : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal

Dinesh Raghbir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

Notes on Financial Statement for the year ended 31st March, 2019

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

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.

The consolidated financial statements have been prepared on accrual and going concern basis. 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, 2019 were approved by the Board of Directors and authorised for issue on April 29, 2019

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:

- 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

Notes on Financial Statement for the year ended 31st March, 2019

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 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 | 3 to 60 years |
| Plant and equipment: | 10 to 25 years |
| Furniture and Fixtures: | 10 years |
| Office Equipments | 5 to 10 years |
| Computers | 3 years |
| Motor Vehicles | 8 to 10 years |
| Rolls | 1 year |

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

Notes on Financial Statement for the year ended 31st March, 2019

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 been 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.

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.

Notes on Financial Statement for the year ended 31st March, 2019

ii) Subsequent Measurement

Financial assets are subsequently / classified and measured at:

amortised cost

fair value through profit and loss (FVTPL)

fairvaluethroughothercomprehensiveincome (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group 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 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 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

Notes on Financial Statement for the year ended 31st March, 2019

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 Off setting 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.

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

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.

Notes on Financial Statement for the year ended 31st March, 2019

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 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 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.

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 dues.

(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.

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

Notes on Financial Statement for the year ended 31st March, 2019

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 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.

2.17 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 Statement for the year ended 31st March, 2019

(₹ 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 |
|-----------------------------------|---------------|-------------------|---------------|---------------------|--|----------------|------------------------|-------------------|----------------|-------------|---------------|------------------|
| Cost or deemed cost | | | | | | | | | | | | |
| Balance at April 1, 2017 | 803.31 | 4,579.92 | 557.57 | 17,851.79 | 390.91 | 34.41 | 28.33 | 37.62 | 140.64 | 4.64 | 180.28 | 24,609.42 |
| Additions | - | - | - | 57.53 | 8.01 | 9.10 | - | 7.21 | 105.43 | 1.43 | 171.32 | 360.03 |
| Disposals | - | - | - | - | - | - | - | - | (13.56) | - | (180.28) | (193.84) |
| Balance at March 31, 2018 | 803.31 | 4,579.92 | 557.57 | 17,909.32 | 398.92 | 43.51 | 28.33 | 44.83 | 232.51 | 6.07 | 171.32 | 24,775.61 |
| Additions | 120.14 | - | - | 42.92 | 40.79 | - | 3.26 | 0.58 | 79.96 | 1.05 | 209.00 | 497.70 |
| Disposals | - | - | - | (277.70) | (3.04) | - | - | - | (21.65) | - | - | (302.39) |
| Balance at March 31, 2019 | 923.45 | 4,579.92 | 557.57 | 17,674.54 | 436.67 | 43.51 | 31.59 | 45.41 | 290.82 | 7.12 | 380.32 | 24,970.92 |
| Accumulated depreciation | | | | | | | | | | | | |
| Balance at April 1, 2017 | - | 154.50 | 62.19 | 1,007.56 | 215.51 | 10.06 | 7.10 | 9.56 | 26.27 | 2.55 | 83.15 | 1,578.45 |
| Depreciation expense | - | 162.97 | 62.67 | 1,012.14 | 16.07 | 5.42 | 5.68 | 11.02 | 28.83 | 2.27 | 189.89 | 1,496.96 |
| Disposals | - | - | - | - | - | - | - | - | (4.13) | - | (177.64) | (181.77) |
| Balance at March 31, 2018 | - | 317.47 | 124.86 | 2,019.70 | 231.58 | 15.48 | 12.78 | 20.58 | 50.97 | 4.82 | 95.40 | 2,893.64 |
| Depreciation expense | - | 162.97 | 62.67 | 935.34 | 17.75 | 4.74 | 3.56 | 8.41 | 31.17 | 0.83 | 181.85 | 1,409.29 |
| Disposals | - | - | - | (110.85) | - | - | - | - | (10.51) | (0.87) | - | (122.23) |
| Balance at March 31, 2019 | - | 480.44 | 187.53 | 2,844.19 | 249.33 | 20.22 | 16.34 | 28.99 | 71.63 | 4.78 | 277.25 | 4,180.70 |
| Carrying amount | | | | | | | | | | | | |
| Balance at March 31, 2018 | 803.31 | 4,262.45 | 432.71 | 15,889.62 | 167.34 | 28.03 | 15.55 | 24.25 | 181.54 | 1.25 | 75.92 | 21,881.97 |
| Balance at March 31, 2018 | 923.45 | 4,099.48 | 370.04 | 14,830.35 | 187.34 | 23.29 | 15.25 | 16.42 | 219.19 | 2.34 | 103.07 | 20,790.22 |

Note:

- 1 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.
- 2 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 Statement for the year ended 31st March, 2019

(₹ in lacs)

| 04. Non-Current Investment | | As at 31.03.2019 | | As at 31.03.2018 | |
|--|--|-------------------------|------------------|-------------------------|------------------|
| | | Qty Nos. | Amount | Qty Nos. | Amount |
| | Investments in Subsidiaries and Associates | | | | |
| | Investments in Equity Instruments (Fully paid up unless stated otherwise) | | | | |
| (a) | Quoted Investments | | | | |
| | Associates | | | | |
| | Gallantt Ispat Limited at face value of ₹ 1 each (P.Y. ₹ 10 each) | 7,25,19,920 | 4,260.20 | 72,51,992 | 4,260.20 |
| | Capital reserve on Consolidation | | 9,204.43 | | 9,219.13 |
| | Post Acquisition profit | | 6,142.32 | | 2,870.78 |
| | Post Acquisition OCI | | 12.82 | | 12.38 |
| | Total aggregate quoted investments | 7,25,19,920 | 19,619.77 | 72,51,992 | 16,362.49 |
| | Total Investments carrying value | | 19,619.77 | | 16,362.49 |
| | Aggregate book value of quoted investments | | 19,619.77 | | 16,362.49 |
| | Aggregate market value of quoted investments | | 21,828.50 | | 19,584.00 |
| 05. Other non-current financial assets (Unsecured, Considered good) | | As at 31.03.2019 | | As at 31.03.2018 | |
| | Security deposits | | 92.68 | | 76.68 |
| | Total non-current financial assets | | 92.68 | | 76.68 |
| 06. Other non-current assets | | As at 31.03.2019 | | As at 31.03.2018 | |
| | Capital advances | | 1,338.62 | | 587.78 |
| | Balance with Statutory / Government Authorities | | 750.87 | | 763.06 |
| | Others | | 52.11 | | 41.85 |
| | Total other non-current assets | | 2,141.60 | | 1,392.69 |
| 07. Deferred tax balances | | As at 31.03.2019 | | As at 31.03.2018 | |
| | The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet: | | | | |
| | Deferred tax assets | | 3,095.24 | | 4,302.03 |
| | Deferred tax liabilities | | (3,136.86) | | (2,870.30) |
| | Net deferred tax assets/(liabilities) for the year ended 31.03.2019 | | (41.62) | | 1,431.73 |
| | Deferred tax (liabilities)/assets in relation to: | | | | |
| | Deferred Tax Liability | | | | |
| | Written down value of Assets | | 3,133.83 | | 2,870.30 |
| | Other Provision | | 3.04 | | - |
| | | | 3,136.87 | | 2,870.30 |
| | Deferred Tax Assets | | | | |
| | Mat Credit entitlement | | 3,011.6 | | 4,242.59 |
| | Provision for retirement benefit | | 43.19 | | 25.08 |
| | Other Provision | | 40.45 | | 34.36 |
| | | | 3,095.24 | | 4,302.03 |

GALLANTT

Notice

Board & Management Report

Standalone Financial Report

Consolidated Financial Report

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| 08. Inventories | | |
|--|-------------------------|-------------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Raw materials | 6,711.98 | 7,933.03 |
| Including in transit ₹ 4,225.28 lacs (P.Y ₹ 5,541.77 lacs) | | |
| Work-in-progress | 32.97 | 33.48 |
| Finished products | 2,589.57 | 1,156.42 |
| Stores and spare parts | 1,737.98 | 1,855.84 |
| Total inventories | 11,072.50 | 10,978.77 |

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

| 09. Trade receivables (Current) Unsecured, considered good | | |
|---|-----------------|-----------------|
| Total trade receivables | 3,756.88 | 5,051.87 |
| | 3,756.88 | 5,051.87 |

1. Trade receivables are pledged on pari passu first charge against short term loans from bank (refer note 16).
- 2 Trade receivables includes ₹ Nil from related party (P.Y. ₹ 5.92 lakhs) (refer note 35).

| 10. Cash and bank balances | | |
|---|---------------|---------------|
| Cash and cash equivalents | | |
| (i). Cash on hand | 11.03 | 6.65 |
| (ii). Balances with banks | | |
| (a) In current accounts | 6.38 | 6.10 |
| (b) In deposits accounts* | 140.00 | 442.00 |
| Total cash and cash equivalents 10(i) | 157.41 | 454.75 |
| Other bank balances | | |
| In deposits accounts** | 253.51 | 182.45 |
| Earmarked balance with bank for unclaimed dividend | 0.75 | - |
| | 254.26 | 182.45 |
| Total cash and bank balances | 411.66 | 637.20 |
| Included above | | |
| Bank deposits for margin against letters of credit and Bank Guarantee | 393.51 | 624.45 |
| * 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. | | |

| 11. Current Financial Assets - Loans (Unsecured, considered good) | | |
|--|---|-----------------|
| Loans to other Body Corporates | - | 6,921.52 |
| | - | 6,921.52 |
| Details of loans under section 186(4) of the Companies Act, 2013 | | |
| Shalimar Corp Limited | - | 4,421.52 |
| Nihin Impex Private Limited | - | 2,500.00 |

| 11A. Other financial assets | | |
|-------------------------------------|--------------|-------------|
| Interest accrued on fixed deposits | 2.94 | 5.59 |
| Others | 7.96 | 3.21 |
| Total other financial assets | 10.90 | 8.80 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| 12. Other current assets | | |
|--|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Advance with public bodies | | |
| i) Balance with Statutory and Government authorities | 508.17 | 381.19 |
| ii) Advance to suppliers | 500.53 | 97.24 |
| iii) Other advances and prepayments | | |
| Prepayments | 52.57 | 36.10 |
| Others | 4.03 | 58.07 |
| Total other current assets | 1,065.30 | 572.60 |

| 13. Share capital | | |
|---|-----------------|-----------------|
| Authorised: | | |
| 8,30,00,000 (P.Y. 83,000,000) Equity Shares of ₹ 10 each | 8,300.00 | 8,300.00 |
| Issued, Subscribed and fully paid up: | | |
| 8,13,22,324 (P.Y. 81,322,324) Equity Shares of ₹ 10 each | 8,132.23 | 8,132.23 |
| | 8,132.23 | 8,132.23 |

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

| | For the period ended 31.03.2019 | | For the period ended 31.03.2018 | |
|--|------------------------------------|-------------------|------------------------------------|-------------------|
| | No. of Shares | Amount ₹ Lakhs | No. of Shares | Amount ₹ Lakhs |
| Equity shares | | | | |
| Issued, subscribed and fully paid up: | | | | |
| At beginning and end of the year | 8,13,22,324 | 8,132.23 | 8,13,22,324 | 8,132.23 |
| Issued during the year | - | - | - | - |
| At end of the year | 8,13,22,324 | 8,132.23 | 8,13,22,324 | 8,132.23 |

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.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholders | For the period ended 31.03.2019 | | For the period ended 31.03.2018 | |
|-------------------------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | 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 |
| Lexi Exports Pvt. Limited | 1,19,30,679 | 14.67 | 1,19,77,179 | 14.73 |
| Richie Credit and Finance Pvt. Ltd. | 50,20,194 | 6.17 | 46,07,635 | 5.67 |
| Hipoline Commece Pvt. Ltd. | 90,83,128 | 11.17 | 73,65,284 | 9.06 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| 14. Other Equity | | |
|---|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Securities premium | 1,050.00 | 1,050.00 |
| Retained Earnings | 45,057.05 | 34,867.96 |
| Capital Reserve | 9,204.43 | 9,219.13 |
| Other Comprehensive Income | 63.32 | 57.22 |
| Total other equity | 55,374.79 | 45,194.31 |
| Securities Premium | | |
| Opening and closing balance | 1,050.00 | 1,050.00 |
| Retained Earnings | | |
| Opening balance | 34,867.96 | 28,594.00 |
| Profit for the period | 10,434.19 | 6,273.96 |
| Less : Dividend | (203.31) | - |
| Tax On Dividend | (41.79) | - |
| Closing balance | 45,057.05 | 34,867.96 |
| Other Comprehensive Income | | |
| Opening Balance | 57.22 | 56.11 |
| Other Comprehensive Income for the year | 9.13 | 1.70 |
| Less : Tax impact on above | 3.04 | 0.59 |
| Closing Balance | 63.32 | 57.22 |
| Capital Reserve | | |
| Opening balance | 9,219.13 | 4,300.68 |
| Addition during the year | (14.70) | 4,918.45 |
| Closing balance | 9,204.43 | 9,219.13 |
| | 55,374.79 | 45,194.31 |

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 31.03.2019 | As at 31.03.2018 |
| Provision for employee benefits | | |
| Retirement gratuity | 57.85 | 28.32 |
| Total provisions | 57.85 | 28.32 |

| 16. Current Financial Liabilities - Borrowings | | |
|--|-----------------|-----------------|
| A. Secured - at amortised cost | | |
| Repayable on demand | | |
| From banks | | |
| Cash credit | 1,594.66 | 3,912.21 |
| Other loans | | |
| From Bank | | |
| Buyer's credit | - | 1,056.75 |
| e-VFS from State Bank of India | - | 500.64 |
| Foreign currency loan (supplier credit) | 2,450.46 | - |
| Rupee loan (Bill discounting) | 1,081.37 | - |
| Total secured borrowings | 5,126.49 | 5,469.60 |
| B. Unsecured - at amortised cost | | |
| Other loans | - | 97.55 |
| Total Unsecured borrowings | - | 97.55 |
| Total borrowings | 5,126.49 | 5,567.15 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

- 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 510,500 (31.03.2017: 510,500, 31.03.2016: 510,500) 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 Raghubir Prasad Agarwal and Sri Nitin Mahabir 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 31.03.2019 | As at 31.03.2018 |
| Foreign currency forward contracts | 28.62 | - |
| Total derivative liabilities | 28.62 | - |

| 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 | 1,846.06 | 7,891.09 |
| Total Trade Payables | 1,846.06 | 7,891.09 |

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, 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

| 19. Current Financial Liabilities - Others | | |
|--|------------------|------------------|
| | As at 31.03.2019 | As at 31.03.2018 |
| Creditors for accrued wages and salaries | 421.93 | 297.05 |
| Creditors for purchase of fixed assets | 159.96 | - |
| Unclaimed Dividend | 0.75 | - |
| Total other current financial liabilities | 582.64 | 297.05 |

| 20. Current Provisions | | |
|--|--------------|--------------|
| Provision for employee benefits | | |
| Post retirement gratuity | 57.06 | 44.13 |
| | 57.06 | 44.13 |

| 21. Other current liabilities | | |
|--|---------------|-----------------|
| Advance received from customers | 28.48 | 1.31 |
| Employee recoveries and employer's contributions | 10.52 | 10.12 |
| Statutory dues | 471.40 | 1,026.77 |
| Other credit balances | 4.49 | 4.33 |
| Total other current liabilities | 514.89 | 1,042.53 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| 22. Revenue from operations | | |
|--------------------------------------|----------------------------------|----------------------------------|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Sale of Products | | |
| Sale of manufactured goods | 1,03,527.48 | 82,284.46 |
| Sale of traded goods | 1,844.21 | 1,264.32 |
| Other Operating Revenue | 1,006.84 | 1,009.26 |
| Revenue from Operations (Net) | 1,06,378.53 | 84,558.04 |

| 23. Other income | | |
|--|---------------|---------------|
| Interest income from financial assets measured at amortised cost | | |
| i). From fixed deposits | 26.63 | 20.86 |
| ii) From loans to subsidiaries | 17.83 | 0.27 |
| iii). From Others | 385.16 | 417.67 |
| Dividend income | | |
| i) From associate | 72.52 | 36.26 |
| Profit on sale of current investemnt | 12.88 | – |
| Other non operating income | 25.19 | 1.17 |
| Total other income | 540.21 | 476.23 |

| 24. Cost of materials consumed | | |
|--|------------------|------------------|
| Raw materials & components consumed | | |
| Opening stock | 7,933.03 | 6,248.42 |
| Add: Purchases | 77,892.84 | 61,664.27 |
| | 85,825.87 | 67,912.69 |
| Less: Closing stock | 6,711.98 | 7,933.03 |
| Total raw materials consumed | 79,113.89 | 59,979.66 |

Notes:

- i). Manufactured goods consumed for own use ₹ 294.11 lacs (P.Y ₹ 133.33 lacs) deducted from raw material consumed at cost price.

| 25. Changes in inventories of finished products and work in progress | | |
|---|----------------------------------|----------------------------------|
| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
| Inventories at the beginning of the year/period | | |
| Finished products | 1,156.43 | 1,973.74 |
| Work-in-progress | 33.48 | 30.21 |
| | 1,189.91 | 2,003.95 |
| Inventories at the end of the year/period | | |
| Finished products | 2,589.57 | 1,156.43 |
| Work-in-progress | 32.97 | 33.48 |
| | 2,622.54 | 1,189.91 |
| Net (increase)/decrease | (1,432.63) | 814.04 |

| 26. Employee benefits expense | | |
|---|-----------------|-----------------|
| Salaries and wages, including bonus | 2,800.87 | 2,363.61 |
| Company's contribution to provident and other funds | 106.80 | 95.89 |
| Workmen and staff welfare expenses | 82.23 | 58.77 |
| Total employee benefits expense | 2,989.90 | 2,518.27 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| 27. Finance costs | | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--|--|----------------------------------|----------------------------------|
| Interest expense | | 333.75 | 469.39 |
| Other Borrowing costs | | 265.24 | 186.77 |
| Total finance costs | | 598.99 | 656.16 |
| 28. Depreciation and amortisation expense | | | |
| Depreciation on tangible assets | | 1,409.29 | 1,496.96 |
| Total depreciation expense | | 1,409.29 | 1,496.96 |
| 29. Excise duty | | | |
| Excise duty on sale of finished products | | - | 2,369.79 |
| (Increase)/decrease in excise duty on finished products | | - | (219.30) |
| Total Excise duty expense | | - | 2,150.49 |
| 30. Other expenses | | | |
| Consumption of stores, spare parts and loose tools | | 1,956.88 | 1,693.20 |
| Repairs to buildings | | 59.77 | 65.75 |
| Repairs to plant and machinery | | 314.01 | 317.93 |
| Repairs to others | | 37.86 | 30.53 |
| Power and fuel | | 3,530.28 | 2,518.44 |
| Other manufacturing expenses | | 1,670.57 | 1,437.97 |
| Rent | | 3.82 | 5.97 |
| Rates, taxes and licenses | | 23.01 | 37.38 |
| Insurance charges | | 50.92 | 57.61 |
| Freight and handling charges | | 2,673.82 | 2,199.18 |
| Commission and brokerage | | 53.58 | 131.76 |
| Selling expenses | | 459.28 | 421.95 |
| Loss /(gain) on foreign currency transaction (net) | | 99.41 | 0.62 |
| Loss on sale/discard of assets | | 65.34 | 1.37 |
| Corporate social responsibility expenses | | 101.79 | 75.30 |
| Other general expenses | | 351.40 | 383.97 |
| Total other expenses | | 11,451.74 | 9,378.93 |
| Note: | | | |
| Auditor's Remuneration (included in other general expenses) | | | |
| Audit Fee | | 4.50 | 4.50 |
| Tax Audit Fee | | 0.50 | 0.50 |
| Other Services (certification fee) | | 0.50 | 0.50 |
| Reimbursement of expenses | | 0.87 | 0.93 |
| | | 6.37 | 6.43 |
| 31. Income tax recognised in profit and loss | | | |
| Current tax | | | |
| Current Tax Expenses | | 2,354.63 | 1,472.01 |
| Mat credit availed / (entitlement) | | 1,231.01 | 623.17 |
| Income Tax Expenses | | 3,585.64 | 2,095.18 |
| In respect of prior years | | 11.92 | 1.82 |
| Income tax expenses including earlier year tax | | 3,597.56 | 2,097.00 |

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| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--|----------------------------------|----------------------------------|
| Deferred tax | | |
| Deferred tax (assets) / liabilities of the current year | 239.30 | (96.76) |
| Deferred tax (assets) / liabilities in other comprehensive income | 3.04 | (1.76) |
| | 242.34 | (98.52) |
| Total tax expense | 3,839.90 | 1,998.48 |
| The income tax expense for the year can be reconciled to the accounting profit (loss) as follows: | | |
| Profit before tax as per statement of Profit and Loss | 10,999.51 | 6,933.53 |
| Accounting Profit before tax | 10,999.51 | 6,933.53 |
| Applicable Income Tax rate | 34.944% | 34.608% |
| Computed income tax expense | 3,843.67 | 2,399.56 |
| Effect of income that is exempt from tax | (25.34) | (12.55) |
| Effect of expenses that are not deductible in determining taxable profit | 60.21 | 27.30 |
| Effect of timing difference of Depreciation | (312.04) | (347.09) |
| Effect of timing difference of liabilities | 19.14 | 27.96 |
| | 3,585.64 | 2,095.18 |
| Reconciliation of deferred tax (assets) / liabilities | | |
| Effect of written down value | 263.50 | (47.26) |
| Effect of timing difference of liability | (24.20) | (49.50) |
| Effect of timing difference of liability in other comprehensive income | 3.04 | (1.76) |
| | 242.34 | (98.52) |

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.

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.

(i) Segment revenue and results

Segment revenue

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--------------------------------|----------------------------------|----------------------------------|
| Steel | 1,06,378.53 | 84,558.04 |
| Power | 15,177.64 | 14,824.20 |
| Unallocated Other income (Net) | 540.21 | 476.23 |
| | 1,22,096.38 | 99,858.47 |
| Inter-segment revenue | 15,177.64 | 14,824.20 |
| Total | 1,06,918.74 | 85,034.27 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|--------------------------------------|----------------------------------|----------------------------------|
| Segment Results | | |
| Steel | 5,962.37 | 2,139.62 |
| Power | 5,095.92 | 4,973.84 |
| Total Segment Result | 11,058.29 | 7,113.46 |
| Interest | 598.99 | 656.16 |
| Other unallocated expenses /(income) | (540.21) | (476.23) |
| Profit /(Loss) before taxes | 10,999.51 | 6,933.53 |

(ii) **Segment assets and liabilities**

Segment assets

| | As at 31.03.2019 | As at 31.03.2018 |
|----------------------------------|------------------|------------------|
| Steel | 35,344.84 | 33,812.60 |
| Power | 16,710.89 | 9,680.63 |
| Total segment assets | 52,055.73 | 43,493.23 |
| Unallocated | 19,680.41 | 24,759.95 |
| Total assets | 71,736.14 | 68,253.19 |
| Segment liabilities | | |
| Steel | 8,213.61 | 14,870.27 |
| Power | - | - |
| Total segment liabilities | 8,213.61 | 14,870.27 |
| Unallocated | 15.51 | 56.37 |
| Shareholders' Fund | 63,507.02 | 53,326.54 |
| Total liabilities | 71,736.14 | 68,253.18 |

(iii) **Capital Expenditure**

| | | |
|---------------------------|-----------------|-----------------|
| Steel | 3,030.51 | 1,952.2 |
| Power | 7,354.97 | - |
| Depreciation | | |
| Steel | 1,019.80 | 1,105.72 |
| Power | 389.49 | 391.24 |
| Total depreciation | 1,409.29 | 1,496.96 |

(iv) **Customer contributing more than 10% of revenue**

| | For Year ended 31.03.2019 | For Year ended 31.03.2018 |
|-----------------------------|------------------------------|------------------------------|
| Gallantt Steel Distributors | 12,631.75 | 10,958.79 |
| Rajasthan Steel | 12,649.24 | - |
| Tulsi Gallantt Agency | - | 8,467.42 |

33. Earnings per share

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| Basic and diluted earnings per share | | |
| 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 | 10,434.19 | 6,273.96 |
| Weighted average number of equity shares for the purposes of basic earnings per share | 8,13,22,324 | 8,13,22,324 |
| Basic & Diluted earnings per share | 12.83 | 7.71 |

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 ₹ 55.64 lacs (previous year ₹ 52.70 lacs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 51.15 lacs (previous year ₹ 43.19 lacs) 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 31.03.2019 | For the year ended 31.03.2018 |
|---|----------------------------------|----------------------------------|
| 1. Movement in the present value of the defined benefit obligation | | |
| Opening defined benefit obligation | 150.66 | 97.81 |
| Current service cost | 45.08 | 40.88 |
| Interest cost | 12.05 | 6.71 |
| Actuarial (gains)/ loss on obligation | (8.53) | 5.26 |
| Benefits paid | - | - |
| Closing defined benefit obligation | 199.26 | 150.66 |
| 2. Movement in the fair value of the plan assets | | |
| Opening fair value of plan assets | 78.21 | 72.25 |
| Interest income on plan assets | 5.98 | 5.78 |
| Employer's contribution | - | - |
| Actuarial (gains)/ loss on Plan Assets | 0.16 | 0.18 |
| Benefits paid | - | - |
| Closing fair value of plan assets | 84.35 | 78.21 |
| 3. Components of defined benefit costs recognised in profit and loss | | |
| Current service cost | 45.08 | 40.88 |
| Interest expenses on defined benefit obligation | 12.05 | 6.71 |
| Interest (income) on plan assets | (5.98) | (5.78) |
| Defined benefit cost included in Profit & Loss Account | 51.15 | 41.81 |

| | For the year ended 31.03.2019 | For the year ended 31.03.2018 | | |
|--|---|---|------------|------------|
| 4 Components of defined benefit costs recognised in other comprehensive income | | | | |
| Actuarial (gains)/ loss on obligation for the year | (8.53) | 5.26 | | |
| Return on plan assets (excluding interest income) | (0.16) | (0.18) | | |
| Total defined benefit cost recognised in OCI | (8.69) | 5.08 | | |
| 5 Amount recognised in the statement of financial position | | | | |
| Present value of obligation at the end of the year ¹ | 199.26 | 150.66 | | |
| Fair value of Plan Assets at the end of the year | (84.35) | (78.21) | | |
| Net defined benefit liability / (assets) | 114.91 | 72.45 | | |
| Of which Short term liability | 57.06 | 44.13 | | |
| 6. Estimated contribution to be made in next financial year | 57.45 | 36.22 | | |
| 7. Actuarial Assumptions | | | | |
| Discount Rate | 7.65% | 8.00% | | |
| 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 | | |
| 8. Assets Information | | | | |
| Gratuity Fund (SBI Life) | 84.35 | 78.21 | | |
| 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. | | | | |
| | (increase) | (Decrease) | (increase) | (Decrease) |
| Discount Rate (1% movement) | 187.97 | 212.19 | 142.18 | 160.39 |
| Salary escalation rate (1% movement) | 213.14 | 186.75 | 161.17 | 141.09 |
| Withdrawal rate (1% movement) | 200.31 | 197.94 | 151.53 | 149.57 |

35. Related Party Disclosures

| | |
|---|--|
| (i) Related parties where control exists | |
| Subsidiary Company | |
| GL Steel and Power Limited | |
| (ii) Related parties with whom transactions have taken place during the year | |
| Gallantt Ispat Limited | (Associate company) |
| Ganesh Laxmi Processors Private Ltd | (Company under common control) |
| Gallantt Foundation | (Trust under common control) |
| (iii) Key Management personnel | |
| Mr. Chandra Prakash Agrawal | Chairman and Managing Director |
| Mr. Dinesh Raghubir Prasad Agarwal | Wholtime Director |
| Mr. Prashant Jalan | Director |
| Mr. Sandip Kumar Agarwal | Chief Financial Officer |
| Mr. Rajesh Upadhyay | Company Secretary (resigned on 31.03.2018) |
| Mr. Tarun Kumar Rathi | Company Secretary |

| | | |
|------|---|---|
| (iv) | Relative of key management personnel | |
| | Mr. Akash Agarwal | (Son of Mr. Dinesh Raghubir Prasad Agarwal) |
| | Mrs. Ritu Agarwal | (Wife of Mr. Sandip Kumar Agarwal) (resigned on 01.04.2018) |

Related party Transactions

| Name of the related party | Nature of transaction | 31 March, 2019 | 31 March, 2018 |
|--------------------------------------|--------------------------|----------------|----------------|
| Gallantt Ispat Limited | Loan given | 600.00 | - |
| | Loan given (refund back) | 600.00 | - |
| | Loan taken | 750.00 | - |
| | Loan taken (refund) | 750.00 | - |
| | Sale of product | 22.80 | 22.12 |
| | Purchase of products | 84.89 | 14.24 |
| | Interest income | 0.01 | - |
| Ganesh Laxmi Processors Private Ltd. | Sale of product | 70.85 | 9.14 |
| | Purchase of products | 2.62 | 7.86 |
| Gallantt Foundation | Contribution in CSR | 35.00 | 40.00 |
| Mr. Chandra Prakash Agrawal | Remuneration | 21.60 | 20.40 |
| Mr. Dinesh Raghubir Prasad Agarwal | Remuneration | 352.67 | 20.40 |
| Mr. Prashant Jalan | Remuneration | 6.73 | 6.73 |
| Mr. Sandip Kumar Agarwal | Remuneration | 13.34 | 12.00 |
| Mr. Rajesh Upadhyay | Remuneration | - | 12.73 |
| Mr. Tarun Kumar Rathi | Remuneration | 4.94 | - |
| Mr. Akash Agarwal | Remuneration | 26.65 | 21.67 |
| Mrs. Ritu Agarwal | Remuneration | - | 6.89 |
| Outstanding Balance | | | |
| Ganesh Laxmi Processors Private Ltd. | Sale of prodcuts | - | 5.92 |

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 31.03.2019 | As at 31.03.2018 |
|---------------------------------|-------------------|-------------------|
| Debt | | |
| Current borrowings | (5,126.49) | (5,567.15) |
| Cash and bank balances | 411.66 | 637.20 |
| Net debt | (4,714.83) | (4,929.95) |
| Total equity | 63,507.02 | 53,326.54 |
| Equity share capital | 8,132.23 | 8,132.23 |
| Other equity | 55,374.79 | 45,194.31 |
| Net debt to equity ratio | (0.07) | (0.09) |

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 31.03.2019 | As at 31.03.2018 |
|--------------------------------|----------|------------------|------------------|
| Financial Liabilities | | | |
| Hedged | | | |
| Borrowings - Suppliers' Credit | USD | 34.87 | - |
| | INR | 2,450.46 | - |
| Unhedged | | | |
| Trade Payable | USD | 0.51 | 99.30 |
| | INR | 34.83 | 6,471.06 |
| Borrowings - 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.

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

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 31.03.2019 | As at 31.03.2018 |
|-------------|------------------|------------------|
| Others | 3,756.88 | 5,051.87 |
| | 3,756.88 | 5,051.87 |

(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 31.03.2019 | Carrying amount | Less than 1 month | 1 to 5 years | > 5 years |
|-----------------------------|-----------------|-------------------|--------------|-----------|
| Short term borrowings | 5,126.49 | 5,126.49 | - | - |
| Derivative liabilities | 28.62 | 28.62 | - | - |
| Trade payables | 1,846.06 | 1,846.06 | - | - |
| Other financial liabilities | 582.64 | 582.64 | - | - |
| As at 31.03.2018 | | | | |
| Short term borrowings | 5,567.15 | 5,567.15 | - | - |
| Derivative liabilities | - | - | - | - |
| Trade payables | 7,891.09 | 7,891.09 | - | - |
| Other financial liabilities | 297.05 | 297.05 | - | - |

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

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-----------------------------------|------------------|------------------|
| Financial Assets: | | |
| Investment - Non -current | 19,619.77 | 16,362.49 |
| Security deposits - Non - current | 92.68 | 76.68 |
| Trade receivables | 3,756.88 | 5,051.87 |
| Cash and cash equivalents | 157.41 | 454.75 |
| Other bank balances | 254.26 | 182.45 |
| Loan - Current | - | 6,921.52 |
| Other Financial assets - Current | 10.90 | 8.80 |
| Total | 23,891.90 | 29,058.55 |
| Financial Liabilities | | |
| Borrowings - Current | 5,126.49 | 5,567.15 |
| Trade payable | 1,846.06 | 7,891.09 |
| Derivative financial liabilities | 28.62 | - |
| Other financial liabilities | 582.64 | 297.05 |
| Total | 7,583.81 | 13,755.29 |

39. Commitments

| | | |
|--|----------|----------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 4,384.78 | 5,006.54 |
|--|----------|----------|

40. Contingent liabilities

| | | | |
|-------|---|--------|--------|
| (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 |
| (ii) | 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 |
| (iii) | 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 |
| (iv) | 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 |
| (v) | Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same). | 80.04 | 80.04 |
| (vi) | Income Tax (A.Y. -2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund) | 21.69 | 21.69 |
| (vii) | Income Tax (A.Y. -2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund) | 48.07 | 48.07 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|------------------|------------------|
| (viii) 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 |
| (ix) 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 |
| (x) Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorities. | 423.43 | 158.33 |

Notes:

- 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.
- 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.

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.

41. Dividend on Equity Shares

| Particulars | For Year ended 31.03.2019 | For Year ended 31.03.2018 |
|---|---------------------------|---------------------------|
| Cash dividend on equity share declared and paid | | |
| Final dividend for the year ended 31st March 2018 : ₹ 0.25 per share (31st March 2017 ₹ Nil) | - | 203.31 |
| Dividend distribution tax on final dividend | - | 41.79 |
| Total dividend paid | - | 245.10 |
| Proposed Dividend (*) | | |
| ₹ 0.25 per share (31st March 2018 ₹ 0.25) | 203.31 | 203.31 |
| Dividend distribution tax on final dividend | 41.79 | 41.79 |
| Total dividend proposed | 245.10 | 245.10 |

(*) 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.

42. Corporate Social Responsibility Contribution (CSR Expenses)

| | | |
|---|--------|-------|
| a) Gross amount required to be spent by the company during the year | 94.13 | 72.79 |
| b) Amount spent during the year on | | |
| i) Construction / acquisition of any fixed assets | - | - |
| ii) On purpose other than (i) above | 101.79 | 75.30 |

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

43. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

44. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

45. 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 : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal

Dinesh Raghbir Prasad Agarwal

Sandip Kumar Agarwal

Tarun Kumar Rathi

Chairman & Managing Director

Whole-time Director

Chief Financial Officer

Company Secretary

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GALLANTT METAL LIMITED

CIN:L27109DL2005PLC350524

“GALLANTT HOUSE”, I-7, Jangpura Extension, New Delhi – 110014.

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Website: www.gallantt.com

ATTENDANCE SLIP

Annual General Meeting, Thursday, the 26th day of September, 2019 at 12.30 p.m.
at Geeta Bhawan”, 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014. India

| | |
|--|--|
| 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 26th day of September, 2019 at 12.30 p.m. at Geeta Bhawan”, 16, Block C, Jungpura Extension, Jangpura, New Delhi 110014. India

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:L27109DL2005PLC350524

Registered Office: "Gallantt House", I-7, Jangpura Extension, New Delhi-110014

Phone No. 011-45048767, Fax No. 011-45048767

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, 26th day of September, 2019 at 12.30 p.m. at "Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014, 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 |
|-----------------|--|-----|---------|
| | Ordinary Business | | |
| 1 | To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon. | | |
| 2 | To declare final dividend on equity shares for the financial year ended 31st March, 2019. | | |
| 3 | To appoint a Director in place of Mr. Prashant Jalan(DIN: 06619739), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. | | |
| | Special Business | | |
| 4 | Re-appointment of Mr. Prashant Jalan(DIN: 06619739) as a Whole-time Director of the Company designated as "Director- Plant Operation" and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution: | | |
| 5 | Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director | | |
| 6 | Appointment of Mr.Dindayal Jalan (DIN: 00006882) as an Independent Director | | |
| 7 | Approval of payment of Remuneration to Cost Auditor. | | |

| Resolutions No. | Resolution(s) | For | Against |
|-----------------|---|-----|---------|
| 8 | Reappointment of Mrs.Richa Bhartiya (DIN: 06905283) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution: | | |

Signed this day of 2019.

| |
|--------------------------------|
| 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.



www.gallantt.com

If undelivered, Please return to :

GALLANTT METAL LTD.

(CIN : L27109DL2005PLC350524)

"GALLANTT HOUSE", I-7, Jangpura Extension,
New Delhi - 110014