

GALANTT **ISPAT LTD.**



**ANNUAL REPORT & ACCOUNTS
2010-2011**

Building Tomorrow ...



Chairman's Statement

Products (TMT Bars and Mild Steel Structural) and wheat products. All the units of the Company have started commercial operation.

Flour Mill Unit started its commercial production of flour for domestic consumption in March, 2009 with capacity of 1,08,000 MTPA. Your Company proposes to expand its capacities by another 72,000 MTPA taking the total capacity to 1,80,000 MTPA. Your Company's current portfolios for the food grain business include wheat flour products like atta, maida, suji and bran. Products are being sold to markets like Uttar Pradesh, Bihar, West Bengal etc.

Iron & Steel Unit of your Company have different divisions like Sponge Iron Plant with a capacity of 99,000 MTPA, Mild Steel Billets (Steel Melt Shop) with a capacity of 1,62,380 MTPA, and Re-rolled Products (TMT) with a capacity of 1,67,400 MTPA. Entire Sponge Iron is consumed in manufacture of billets which is further rolled into TMT Bars. All the divisions of Iron and Steel Unit are functional.

Considering the power requirements of our existing manufacturing facilities, our Company has set up 18 MW Captive Power Plant to meet its present requirements of power. Captive Power Plant gives us the stable and uninterrupted power supply which is very crucial in manufacturing of our products. With the installation of Captive Power Plant waste heat of Iron and Steel Units is utilized to generate power which in turn improved the profitability of the project thereby making it economically more viable. Power is an important factor in every manufacturing facility. Captive Power Plant started its operation from July 25, 2011.

Your Company is investing its resources in core businesses across the integrated steel plant as well as Flour Mill unit and acquiring new and latest technologies and businesses that help meet changing aspirations of millions of consumers. These strategies and initiatives are aimed to ensure that Gallantt Ispat delivers long-term growth and creates unprecedented value for its stakeholders. Your Company always believes in an integrated business model that combines a long-term perspective, with focus on operational excellence and disciplined approach towards capital investment to deliver shareholder value

KNOW ADVANTAGES TO YOUR COMPANY

Apart from experienced management team & promoters, already presence of the promoters in the region, etc. setting up the integrated steel plant and flour mill in Gorakhpur, Uttar Pradesh, State Government of Uttar Pradesh provides your Company with benefits like interest free loan equivalent to Sales Tax Amount for a period of 15 years., Transport Subsidy for 15 years, 20%

Subsidy of fixed capital investment, 5% additional subsidy of fixed capital investment being first unit under this scheme and Exemption of Mandi Tax 2% on purchase of wheat, among other benefits.

PERFORMANCE AT A GLANCE

Fiscal year 2010-11 would be marked as important year for the Company. There was plenty of good news. First, during the year itself Company concluded initial public offering of equity shares and got listed with both the premier stock exchanges of the country viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Second, Company started commercial operation of all the units of the project except operation of Captive Power Plant which started operation from July 25, 2011. Third, Company reported a remarkable turnover and profitability. This is first full year operation of the Company and you will be happy to learn that during the year, your company achieved a significant turnover of Rs. 22,727.69 Lacs. During the year your Company posted a Profit Before Tax (PBT) of Rs. 824.99 Lacs and Profit after Tax of Rs. 316.11 Lacs. Captive Power plant has started functioning from July 25, 2011, it results in cost saving and which in turn will improve profitability of the Company in the coming years.

OUR VISION

At Gallantt Ispat, maximizing shareholders value is an article of faith. With this in mind, we will explore all emerging opportunities in the in the sector in which your Company operates. We will work in partnership with our customers to anticipate market changes and proactively respond to them. We firmly believe that we will succeed in establishing a leadership position among private players and we will be a force to reckon with.

Products quality has been another key area of focus for your company. In order to ensure that all customer expectations are being met, we have created a dedicated customer centricity cell within the company.

CONCLUSION

I would like to take this opportunity to thank the entire management team at Gallantt Ispat; their enthusiasm and energy has been a key ingredient in the Company's success. I would like to also thank our valuable customers and other business associates for all their support. Finally, a big thank you to all our new shareholders for reposing their faith in Gallantt Ispat.

Thanking you
Yours truly
C. P. Agarwal

Dear Shareowners,

First of all, I wish to thank you, the investor fraternity, for your overwhelming support to the initial public offering (IPO) of the company. This support reflects the trust and confidence that investors have reposed in the performance and execution capabilities of the Company. I assure you that we would do our utmost to live up to expectations, deliver quality in all our operations and strive to increase shareholder wealth.

It gives me great pleasure to present you the 7th Annual Report of the Gallantt Ispat Limited.

OVERALL ECONOMY AND INDUSTRY

The world economic recovery has finally started taking new steps. The year saw the global economic crisis becoming a thing of the past, with both advanced and emerging economies registering positive growth during 2010. It seems clear that the worst was behind us, and global economic recovery is on its way. After contracting by 0.5%, world output growth is back in positive territory at 5%. Emerging and developing economies continue to drive most of this growth.

China and India are back on their high growth momentum. India grew by 8.6% in 2010-11, while China recorded a growth of around 10% in 2010. This contributed to resurgence in steel demand. Second Renewed growth has revived steel demand. Global crude steel output increased by 16.8% in 2010.

This economic growth has lead to increase of demand of commodities. Infrastructure will be the prime reason for the recovery journey. This is the only sector which will lead the path of global economic recovery. When share views on infrastructure we get many sectors being clubbed to them. Banks, Cements, Steel, Capital Goods, Construction are the prime industries which are linked with infrastructure growth.

KNOW YOUR COMPANY

Your Company operates in three different segments viz. Flour Mill Unit, Iron and Steel Unit and Captive Power Plant unit. Your Company is one of the growing Companies in Uttar Pradesh engaged in the manufacturing and marketing of Sponge Iron, Mild Steel Billets, Re-Rolled

Corporate Information

Seventh Annual Report 2010-2011

Board of Directors

Mr. C. P. Agarwal
Chairman & Managing Director

Mr. P. P. Agarwal
Whole Time Director

Mr. Nitin M Kandoi
Whole Time Director

Mr. Rajesh Kumar Jain
Non-Executive Independent Director

Mr. Jyotirindra Nath Dey
Non-Executive Independent Director

Mr. Virendra Kumar Keshari
Non-Executive Independent Director

Auditors

Anoop Agarwal & Co.
Chartered Accountants

Company Secretary

Mr. Nitesh Kumar

Registered Office

11, Crooked Lane, Second Floor
Kolkata - 700 069
Tel : 033-30238671
Telefax : 033-22312429
Website : www.gallantt.com

Works Office

Plot No. AL-5, Sector – 23
Gorakhpur Industrial Development Authority (GIDA)
Sahjanwa, Gorakhpur, Uttar Pradesh

Bankers

State Bank of India
State Bank of Mysore
State Bank of Patiala
ICICI Bank
HDFC Bank

Equity Shares Listed on

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Registrars & Share Transfer Agents

Niche Technologies Pvt. Ltd.
D-511, Bagree Market, 71, B.R.B. Basu Road,
Kolkata - 700 001
Ph.: 033-2235 7270/71
Fax:033-22156823

Audit Committee of the Board

Mr. Virendra Kumar Keshari - Chairman
Mr. Rajesh Kumar Jain
Mr. Jyotirindra Nath Dey

Share Transfer and Shareholders/ Investors' Grievance Committee of the Board

Mr. Rajesh Kumar Jain - Chairman
Mr. Virendra Kumar Keshari
Mr. Jyotirindra Nath Dey

Remuneration Committee of the Board

Mr. Jyotirindra Nath Dey - Chairman
Mr. Virendra Kumar Keshari
Mr. Rajesh Kumar Jain

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Notice

Notice is hereby given that the Seventh Annual General Meeting of GALLANTT ISPAT LIMITED will be held on Wednesday, 28th September, 2011 at 2.00 P.M. at Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as on 31st March, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To reappoint Mr. Prem Prakash Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Anoop Agarwal & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to note that the company's equity shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
3. The dividend for the year ended 31st March, 2011, if approved, at the aforesaid AGM will be dispatched/remitted on or after 3rd October, 2011 to those members whose names will appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company as at the end of business hours on 21st September, 2011 and in respect of shares held in electronic mode, the dividend will be paid to the beneficial owners of the shares as at the end of business hours on 21st September, 2011, as per details furnished by the National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
4. Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name etc. to their Depository Participant (DP) only and not to the company or its Registrar and Transfer Agent Any such changes effected by the DPs will automatically reflect in the company's subsequent records.
5. The annual report of the company circulated to the Members of the company, will be made available on the company's website at www.gallantt.com.
6. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers in the Attendance Slip for attending the Meeting.
7. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall. Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.

Registered Office :
11, Crooked Lane,
Second Floor,
Kolkata - 700 069.
Date : August 02, 2011

By Order of the Board

Nitesh Kumar
Company Secretary

Directors' Report

Dear Members

Your Directors have pleasure in presenting the 7th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2011.

1. WORKING RESULTS

(Rs. in Lacs)

Financial Results	2011	2010
Income from operation	22,727.69	12245.61
Other Income	2059.68	301.50
Profit before Interest, Depreciation and Tax	1993.97	591.39
Less: Interest	615.43	200.84
Profit before Depreciation & Tax	1378.54	390.55
Less: Depreciation (including amortization)	553.55	383.36
Profit Before Tax	824.99	7.19
Provision for Tax :		
- Current	164.42	1.11
- Deferred	344.46	455.56
Earlier Year	–	0.09
Profit After Tax	316.11	(449.57)
Dividend (including Dividend Tax)	156.06	–
Balance carried to Balance Sheet	160.05	–

2. PERFORMANCE REVIEW

During the year your Company has reported a turnover of 22,727.69 Lacs. The Profit before Tax and Profit after Tax remains Rs. 824.99 Lacs and Rs. 316.11 Lacs respectively. During the current financial year, your Company took various strategic initiatives to improve its volumes and profitability, which helped the Company to post an impressive performance for the year. Yours Directors are pleased to report an excellent performance of the Company in terms of both financial and operational performance.

3. DIVIDEND

The management is pleased to recommend final dividend at the rate of Re. .50/- (Fifty Paise) per Equity Share on 2,67,66,505 Equity Shares of Rs. 10 /- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be Rs. 1,33,83,252.50 subject to tax. Irrespective of under installation condition and non-completion of the total integration of the project during the fiscal 2011, your Company generated and earned a

handsome amount of profit after tax. Gallantt Ispat believes that profitability must go hand in hand with a sense of responsibility towards all shareowners and other stakeholders. Hence, as a measure of rewarding shareowners and providing a current return on their investment, your Board of Directors recommended a dividend @ 5% on Equity Shares.

4. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 your Directors state that :

- The Applicable Accounting Standards have been followed in the preparation of Annual Accounts.
- That the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011.

C. That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

D. That the Annual Accounts have been prepared on a going concern basis.

5. INITIAL PUBLIC OFFERING OF EQUITY SHARES

During the year under report your Company concluded an Initial Public Offerings ("Issue") of 81,00,208 Equity Shares of Rs. 10/- each for cash at a price of Rs. 50/- per Equity Share including a Share Premium of Rs. 40/- per Equity Share aggregating to Rs. 40,50,10,400/- comprising of 14,00,000 Equity Shares of Promoter Contribution and net offer to the public was 67,00,208 Equity Shares. Issue opened on September 22, 2010 and closed on September 24, 2010. The Issue has received 4255 applications for 97,57,000 Equity Shares resulting in 1.44 times subscription (before technical rejections). Basis of Allotment was approved by the Bombay Stock Exchange Limited (Designated Stock Exchange) and shares were allotted on October 05, 2010 to the successful investors. On complying with the formalities of Stock Exchanges, Depositories, SEBI and other authorities and bodies, Equity Shares of the Company got listed with both the Stock Exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited and started trading from October 11, 2010.

6. UTILISATION OF IPO PROCEEDS

Under the IPO, Company has allotted 81,00,208 Equity Shares and procured Rs. 40,50,10,400/- (Rupees Forty Crore Fifty Lac Ten Thousand and Four Hundred only). As per the terms and object of the Issue entire funds have been utilized in the project of the Company including utilization of Rs. 33,50,10,400/- (Rupees Thirty Three Crore Fifty Lac Ten Thousand and Four Hundred only) for repayment of the unsecured loan taken for the project of the Company.

7. CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges and accordingly a Report on Corporate Governance together with Auditors' Certificate on Corporate Governance is appended to the Annual Report. Your Company is committed to achieving the highest standards of Corporate Governance and has complied with the requirements of Clause 49 of the Listing Agreement. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is appended to the Annual Report.

8. 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 2011-12. The ISIN No. of the Company is INE528K01011

9. CREDIT RATING

Company has appointed Fitch Ratings India Private Limited (hereinafter referred to as "Fitch") as Credit Rating agency. Fitch has assigned rating 'B+ (ind)' for Long Term Loan of Rs. 124 Crores (Rupees One Hundred Twenty Four Crore only) and 'F4(ind)' for Non-Fund Based Limits of Rs. 2 Crores (Rupees Two Crores).

10. FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

11. PARTICULARS OF EMPLOYEES

No employee of the Company is covered under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

12. AUDITORS & AUDITORS' REPORT

M/s. Anoop Agarwal & Co., Chartered Accountants, statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them that their reappointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956. The notes on accounts referred to the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

13. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

The particulars as prescribed under sub-section 1(e) of Section 217 of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and form part of the report.

14. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

Accelerating sales force performance is a key priority for Companies. Company is in continuous process of discussing the methods for developing a go-to-market strategy and designing sales forces. Your Company relies on its sales teams to deliver revenue growth, and entrust to them their most valuable assets - customers. In turn, your

Company's sales teams brought a remarkable growth in the sales volume and profit margin irrespective of cut throat competition. The industrial relations continued to be cordial.

15. BOARD OF DIRECTORS

The Board of Directors comprises of Six Directors of which three are Independent Directors. Mr. Prem Prakash Agarwal, Director of your Company, retires from the Board by rotation and eligible for re-election.

During the year no changes took place on the Board of Directors of the Company. During the year the Board of Directors met fourteen times.

16. GROUP COMING WITHIN THE DEFINITION OF GROUP AS DEFINED IN THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969 (MRTP)

Persons constituting "group" as defined under the MRTP for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time, include, those given in Annexure 'A' which is attached herewith and forms part of this Annual Report.

17. COMMENCEMENT OF PROJECT

The status of progress made on various projects of the Company was as under :

Flour Mill Unit :

It started commercial production of Flour for domestic consumption in March, 2009 with capacity of 1,08,000 MTPA. Your Company proposes to expand its capacities by another 72,000 MTPA taking the total capacity to 1,80,000 MTPA.

Iron & Steel Unit :

Your Company have different steel divisions like Mild Steel Billets (Steel Melt Shop) with a capacity of 1,62,380 MTPA, and Re-rolled Products (TMT) with a capacity of 1,67,400 MTPA and Sponge Iron Plant with a capacity of 99,000 MTPA.

Steel Melt Shop Unit and TMT Unit started commercial operation from May, 2009 whereas Sponge Iron Unit started operation from October, 2010.

Captive Power Plant Unit :

Considering the power requirements of our existing

manufacturing facilities, our Company has set up 18 MW Captive Power Plant to meet its present requirements of power. Captive Power Plant started commercial operation from July 25, 2011.

18. GOVERNMENT INCENTIVES AND SUBSIDIES

The State Government of Uttar Pradesh had granted facilities to industries being set up in Uttar Pradesh having investment of above Rs. 100.00 Crores. The incentives were originally granted vide G.O. Numbers 1502/77-6-2006-10 Tax/04 dated June 1, 2006 which have been elaborated in G.O. Numbers 2941/77-6-2006-10 Tax/04 dated November 30, 2006, and further amended from time to time. Incentives and Subsidies at a glance:

- 20% subsidy of fixed capital investment.
- Reimbursement of the actual amount incurred on the development of infrastructure facilities like Land, Road, Power, Water etc. (maximum 10% of fixed capital investment)
- 5% additional subsidy of fixed capital investment being first unit under this scheme.
- Transport subsidy for 15 years equivalent to freight paid on import from outside the state on Raw materials i.e. Iron Ore.
- Interest free loan equivalent to Sales Taxes/Commercial Taxes (UPVAT) Amount for a period of 15 years, repayable after 15 years.
- Land on actual cost and concessional rates of registration.
- Entry tax exemption on plant and machinery, spare parts and capital goods.
- Exemption of Mandi Tax - 2% on Wheat purchase.

Company has received subsidy to the tune of Rs. 24.28 Crores from the State Government of Uttar Pradesh till March 31, 2011.

19. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for cooperation and assistance received from Government of India, State Government of Uttar Pradesh, Government of West Bengal, and the shareholders, customers, suppliers, Bankers, the Central Government and the State Government agencies during the year under review. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

On behalf of the Board

C.P. Agarwal
Chairman

Place : Kolkata
Date : August 02, 2011

Annexure to Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

Energy conservation continued to be an area of priority. Your Company accords highest priority for conservation of energy and necessary measures for optimizing energy consumption have been taken i.e., close and vigorously monitoring of various plants and equipments, adopting new and latest technology etc.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Nil

(c) 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.

(d) 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

A.	Power & Fuel Consumption	2010-11	2009-10
1.	Electricity		
	(a) Purchased		
	Total Unit in Lacs	646.42	408.83
	Amount Rs. in Lacs	2714.91	1520.46
	Rate Per Unit (Rs.)	4.19	3.72
	(b) Own Generation		
	Total Units in Lacs	Nil	Nil
	Amount Rs. In Lacs	Nil	Nil
	Rate per Unit	Nil	Nil
2.	Coal		
	Quantity- M.T.	38948.637	1697.308
	Total Cost- Rs. in Lacs	1411.45	65.90
	Average rate-Rs. per M.T.	3624.00	3882.38
3.	Furnace Oil		
	Quantity (K. Ltrs.)	110.963	1195.660
	Total Cost (Rs. Lacs)	35.43	302.93
	Average Rate (Rs. / K. Ltrs.)	31930.00	25335.60

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

(Rs. in Lacs)

	2010-2011	2009-2010
CIF Value of imports	69.49	2.69
Expenditure in foreign currency	Nil	Nil
Earning in foreign currency	Nil	Nil

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations and regulatory compliances. A good governance process provides transparency of corporate policies, strategies and the decision making process and also strengthens internal control systems and helps in building relationship with all stakeholders. The Board of Directors commit themselves to achieve excellence in Corporate Governance by confirming to guidelines on Corporate Governance.

I. BOARD OF DIRECTORS

Size and Composition of the Board

The Directors of the Company are appointed by shareholders at General Meetings. All Directors except Managing Director and Nominee Directors are, subject to Company's Articles of Association, liable to retirement by rotation and at every Annual General Meeting 1/3rd of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Sections 256.

The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. 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 has strength of Six Directors as on 31st March, 2011. Our Board of Directors has Three Independent Directors.

During the financial year ended 31st March, 2011 Fourteen Meetings of the Board were held on 10th April, 2010, 20th April, 2010, 31st May, 2010, 15th June, 2010, 24th June, 2010, 25th July, 2010, 6th September, 2010, 15th September, 2010, 20th September, 2010, 5th October, 2010, 10th January, 2011, 29th January, 2011, 12th February, 2011 and 16th March, 2011. The details regarding the attendance of Directors at the Board Meetings, Number of other Directorships and Committee positions held by them in other Companies as on 31st March, 2011 are given below :

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 14 meetings held during the year	No. of Other Directorships	Committee Positions held	
					Chairman	Member
Mr. C. P. Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	14	1	Nil	Nil
Mr. P. P. Agarwal Whole-time Director	Executive / Promoter	Yes	13	1	Nil	Nil
Mr. Nitin M Kandoi Whole-time Director	Executive/ Promoter	Yes	12	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director	Non-Executive /Independent	Yes	11	2	1	2
Mr. Rajesh Kumar Jain Director	Non-Executive /Independent	Yes	8	1	1	2
Mr. Virendra Kumar Keshari Director	Non-Executive/ Independent	Yes	11	1	1	2

Report on Corporate Governance

Notes :

- Mr. Virendra Kumar Keshari, Mr. Rajesh Kumar Jain and Mr. Jyotirindra Nath Dey have been considered as Independent Directors as they do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, etc. which in judgment of the Board, may affect independence of their judgment.
- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Share Transfer and Investors'/Shareholders' Grievance Committee and Remuneration Committee have been considered.
- The Company placed before the Board of Directors the annual operating plans, capital budgets, the information on recruitment and remuneration of senior officers just below the board level, performance and various other information, including those specified under Annexure I of the Listing Agreement from time to time.

CHANGES IN COMPOSITION OF THE BOARD OF DIRECTORS SINCE LAST REPORT :

There is no change in the composition of the Board of Directors of the Company since last Report.

REAPPOINTMENT OF DIRECTOR :

The brief particulars of the Director of the Company proposed to be re-appointed at the ensuing Annual General Meeting are as under:

Mr. Prem Prakash Agarwal, Director of the Company retires by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting. Mr. Prem Prakash Agarwal aged 45 years is one of the Promoters of our Company. He is Bachelor of Commerce from the University of Gorakhpur, Uttar Pradesh and has an aggregate experience of twenty years in the manufacturing of wheat flour products and more than a decade of experience in the steel industry. Mr. Agarwal looks after our Company's day to day administration accounts and finance He has been associated with our Company since inception. During this period and under his leadership, the Company has successfully commissioned new projects and achieved higher level of growth. Details of Mr. Agarwal is as under :

Name of the Director	Mr. Prem Prakash Agarwal
Date of Birth	17.04.1966
Date of Appointment	11.02.2005
Qualifications	Bachelor of Commerce
Directorship in other Companies	Gallantt Udyog Limited
Membership/Chairmanship of	
Committees of the other public	
companies on which he is a Director	Nil
No. of Shares held in the Company	33,333

CODE OF CONDUCT :

Code of Conduct for the Directors and Senior Management of the Company was adopted by the Board in its meeting. This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code forms an integral part of the Company's Governance Policy. The Code has been posted on the web site of the Company www.gallantt.com. Declaration of compliance of the Code of Conduct in terms of sub clause (ii) of clause 49(I)(D) of listing agreement is given hereunder:

"The Board of Directors of Gallantt Ispat Limited has pursuant to sub clause (i) of Clause 49 (I) D of the Listing Agreement laid down Code of Conduct for all Board members and senior managerial personnel of the Company which has also been posted on the website of the Company, viz. www.gallantt.com.

In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 2010-11".

Chandra Prakash Agarwal
Chairman and Managing Director

Mayank Agrawal
CEO