

GALANTT
ISPAT LIMITED
Building Tomorrow ...



ANNUAL REPORT 2012-2013



Chairman's Perspective

Letter to Shareowners

Dear Shareowners,

We are pleased to share with you the Annual Report for the Financial Year 2012-13. The business sentiments, confronted with the challenges of market conditions and slowdown in global demand, remained extremely challenging and the recessionary economic conditions led initial slowdown in sales growth. Thanks to the sustained efforts of the marketing team, improved marketing performance resulted into remarkable sales and growth.

BUSINESS & ECONOMY :

Steel Industry contributes a major share in the economic growth globally. Steel's wide and varied usage makes it the backbone of an economy & is often referred to as a symbol of economic growth. According to World Steel Association (WSA), with an output of 1,548 million tons, global steel market was marginally up showing a growth rate of only 1.2% in 2012. The slowdown in growth rate factored in as 27 crude steel producing nations of Europe and South America cut production levels compared to last year. However, this slowdown facilitated steelmakers in Asia and North America to fill the gap & attain a notable growth rate. International Steel Statistics Bureau (ISSB) data interprets that Asian Countries like China, Japan, India, South Korea, Taiwan, Malaysia, Thailand, Indonesia and Singapore contribute around 99.5% of the total production of steel. Also, these nations together contribute 97% of the export globally.

India continued to rank fourth in the world steel production with an output of 76.7 million tons, showing the highest growth of 4.2% among top five steel producing nations in 2012. Supply side issues on raw material availability and sharp depreciation of Rupee affected the operating environment of the industry.

This impacted the underlying sentiment and uncertainty in the economic environment. While India recorded growth in apparent steel use, it was well below the expectations due to challenging macro conditions. India has been a net importer of steel especially at the high value-added end product portfolio and is likely to continue to do so. Demand for steel in India will continue to grow given the significant need for infrastructure growth and the increasing urbanization in the country.

YOUR COMPANY & GROWTH :

Despite the global challenges, we saw constructive demand growth in our businesses. Gallantt Ispat has achieved revenue from operations of ₹ 41099.81 Lacs, Net Profit of ₹ 1172.82 Lacs and Earnings per Share (EPS) of ₹ 4.38 for the Financial Year ended March 31, 2013. This is a reflection of the quality of our assets and growing demand for our products across the region. The increased cost of raw materials and inflationary rise in other expenses resulted into lowering of Profit before Depreciation, Interest and Taxes (PBDIT). The Company remains focused to improve its core business and look for higher market share in the business segments in which it operates. We, at Gallantt, are looking to capture the major demand of our products in Northern and Eastern Part of the country specifically, Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, etc. and have plans to enlarge our branded products portfolio with a special focus on rural sales through dealership network in rural areas.

I would like to thank all our colleagues across the country for their hard work and valued contribution during 2012-13. I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to express my gratitude to all our stakeholders, who have reposed trust in us and extended their constant support.

Thanking you,
Yours truly,
C. P. Agarwal

Corporate Information

Ninth Annual Report 2012-2013

Board of Directors

Mr. Chandra Prakash Agarwal
Chairman & Managing Director
Mr. Prem Prakash 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. Piyush Kankrania
Non-Executive Independent Director

Auditors

Anoop Agarwal & Co.,
Chartered Accountants

Cost Auditors

Upendra Tiwari & Associates
Cost Accountants

Company Secretary and Manager A & F

Mr. Nitesh Kumar

Registered Office

1, Crooked Lane, Second Floor
Room Nos. 222 & 223
Kolkata - 700 069
Tel: 033-40642189
Telefax: 033-22312429
Website: www.gallantt.com

Bankers

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

Equity Shares Listed On

BSE 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
Tel.: 033-22357270/7271/3070/2234
Fax: 033-22156823

Works

Plot No. AL-5, Sector – 23
Gorakhpur Industrial Development
Authority (GIDA), Sahjanwa,
Gorakhpur, Uttar Pradesh - 273209

Audit Committee of the Board

Mr. Piyush Kankrania - 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. Piyush Kankrania
Mr. Jyotirindra Nath Dey

Remuneration Committee of the Board

Mr. Jyotirindra Nath Dey - Chairman
Mr. Piyush Kankrania
Mr. Rajesh Kumar Jain

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IMPORTANT COMMUNICATION TO MEMBERS

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Statement of Profit & Loss, Directors Report, Auditors Report etc. in electronic mode to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Niche Technologies Private Limited by sending e-mail to nichetechpl@nichetechpl.com

Notice

Notice is hereby given that the Ninth Annual General Meeting of GALLANTT ISPAT LIMITED will be held on Thursday 19th September, 2013 at 11.30 A.M. at - RABINDRA OKAKURA BHAVAN, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as on 31st March, 2013, Statement of Profit and Loss 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 for the year ended March 31, 2013.
3. To reappoint Mr. Rajesh Kumar Jain, 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 (Regn. No. 01739C), the retiring Auditors be and are hereby appointed as Statutory 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, based on the recommendation of the Audit Committee, in addition to the reimbursement of all out of pocket expenses in connection with the Audit of the Accounts of the Company.”

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 316 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be found necessary, Mr. Chandra Prakash Agarwal, Managing Director of the Company be and is hereby reappointed as a Managing Director of the Company for a period of 5 Years effective from 1st April, 2014 on such terms and conditions, emoluments, perquisites and benefits as set out in the agreement entered into between the Board of Directors and Mr. Chandra Prakash Agarwal an abstract of which are detailed hereinbelow :

Remuneration :

Salary : At the rate of ₹ 1,00,000/- (Rupees One Lac only) per month from 1st April, 2014 in the scale of ₹ 1,00,000-10,000-1,40,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i.e. 1st April, 2015.

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

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

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Managing Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule XIII to the Companies Act, 1956.

Sitting Fees : The Managing Director 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 the Board be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Chandra Prakash Agarwal and to do all such acts, deeds, matters and things, as it may, at its absolute discretion, consider necessary, expedient or desirable, to give effect to the foregoing Resolution or otherwise considered by it to be in the interests of the Company.”

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections

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198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be found necessary, Mr. Prem Prakash Agarwal, Whole-time Director of the Company be and is hereby reappointed as a Whole-time Director of the Company for a period of 5 Years effective from 1st April, 2014 on such terms and conditions, emoluments, perquisites and benefits as set out in the agreement entered into between the Board of Directors and Mr. Prem Prakash Agarwal an abstract of which are detailed hereinbelow :

Remuneration :

Salary : At the rate of ₹ 1,00,000/- (Rupees One Lac only) per month from 1st April, 2014 in the scale of ₹ 1,00,000-10,000-1,40,000/-with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i.e. 1st April, 2015.

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

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

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole-time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule XIII to the Companies Act, 1956.

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

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

"RESOLVED FURTHER THAT the Board be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/ or Agreement in such manner

as may be agreed to between the Board of Directors and Mr. Prem Prakash Agarwal and to do all such acts, deeds, matters and things, as it may, at its absolute discretion, consider necessary, expedient or desirable, to give effect to the foregoing Resolution or otherwise considered by it to be in the interests of the Company."

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 314 and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to the appointment of Mrs. Uma Agrawal (Wife of Director's brother) as Senior Executive (Office Administration) in the Company with effect from April 1, 2013 on the following terms & conditions including remuneration and in pursuance of the service rules as applicable to the employees of the Company :

- i) Salary : In the scale of ₹ 50,000 – ₹ 5,000 – ₹ 1,00,000 per month.
- ii) Perquisites : She will be entitled to receive ₹ 15,000 per annum as medical reimbursement subject to submission of Medical bills. She will be entitled to maintain a car at the expenses of the Company to be used for official purposes.
- iii) Others : Use of telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by her shall not be treated as perquisites.

For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

- iv) Gratuity and encashment of leave : She will be entitled to gratuity and encashment of leave as per rules of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution."

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 314

Notice *(Contd.)*

and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to the appointment of Mrs. Shyama Agrawal (Wife of Mr. Prem Prakash Agarwal, Whole-time Director) as a Senior Executive (Personnel) in the Company with effect from April 1, 2013 on the following terms & conditions including remuneration and in pursuance of the service rules as applicable to the employees of the Company :

- i) Salary : In the scale of ₹ 50,000 – ₹ 5,000 – ₹ 1,00,000 per month.
- ii) Perquisites : She will be entitled to receive ₹ 15,000 per annum as medical reimbursement subject to submission of Medical bills. She will be entitled to maintain a car at the expenses of the Company to be used for official purposes.
- iii) Others : Use of telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by her shall not be treated as perquisites.

For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

- iv) Gratuity and encashment of leave : She will be entitled to gratuity and encashment of leave as per rules of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution."

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 314 and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to the appointment of Mrs. Shruti Kandoi (Wife of Mr. Nitin M Kandoi, Whole-time Director) as a Senior Executive (MIS) in the Company with effect from April 1, 2013 on the following terms & conditions including remuneration and in pursuance of the service rules as applicable to the employees of the Company :

- i) Salary : In the scale of ₹ 50,000 – ₹ 5,000 – ₹ 1,00,000 per month.
- ii) Perquisites : She will be entitled to receive ₹ 15,000 per annum as medical reimbursement subject to submission of Medical bills. She will be entitled to maintain a car at the expenses of the Company to be used for official purposes.
- iii) Others : Use of telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by her shall not be treated as perquisites.

For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

- iv) Gratuity and encashment of leave : She will be entitled to gratuity and encashment of leave as per rules of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution."

10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 314 and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to increase the remuneration of Mr. Mayank Agrawal, son of Mr. Chandra Prakash Agarwal (Chairman & Managing Director) with effect from April 01, 2013 from ₹ 45,000 per month to ₹ 50,000 per month in the scale of ₹ 50,000 – ₹ 5,000 – ₹ 1,00,000. He shall also be entitled to the following perquisites :

2. Perquisites : He will be entitled to receive ₹ 1,00,000 per annum as medical reimbursement subject to submission of Medical bills. He will be entitled to maintain a car at the expenses of the Company to be used for official purposes.
3. Others : Use of 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.

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For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution."

11. To consider, and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to provisions of Section 314 and other applicable provisions, rules and regulations and subject to such approval as may be necessary, if so required, the consent of the Company be and is hereby accorded to the appointment of Mrs. Pallavi Agrawal (Wife of Son of Mr. C. P. Agarwal, Chairman & Managing Director) as a Senior Executive (Corporate Communication) in the Company with effect from April 1, 2013 on the following terms & conditions including remuneration and in pursuance of the service rules as applicable to the employees of the Company :

1. Salary : In the scale of ₹ 50,000 – ₹ 5,000 – ₹ 1,00,000 per month.
2. Perquisites : She will be entitled to receive ₹ 15,000 per annum as medical reimbursement subject to submission of Medical bills. She will be entitled to maintain a car at the expenses of the Company to be used for official purposes.
3. Others : Use of telephone and other communication facilities at residence/other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by her shall not be treated as perquisites.

For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps and to do such acts, deeds, matters and things as they may deem proper and

give/send such notices, directions as may be necessary to give effect to the above resolution."

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. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 set out in the Notice is annexed hereto.
3. 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.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th September, 2013 to 19th September, 2013 (both days inclusive)
5. Dividend on Equity Shares as recommended by the Directors for the year ended March 31, 2013, when declared at the meeting, will be paid :
 - (i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 12th September, 2013 after giving effect to all valid transfers in physical form lodged on or before 12th September, 2013 with the Company and/or its Registrar and Transfer Agent; and
 - (ii) in respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Serviced (India) Limited (CDSL) at the close of business hours on 12th September, 2013.
6. 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.
7. Pursuant to the requirements on corporate governance under Clause 49 of listing agreements entered into with stock exchanges, the information about the Directors

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proposed to be re-appointed is given in the Annexure to the Notice.

8. 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
9. 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.
10. 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.
11. Members who have not so far encashed their Dividend Warrants for the Accounting years ended 31st March, 2011 and 2012 are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants.

Registered Office :
1, Crooked Lane,
Second Floor, Room Nos. 222 & 223
Kolkata - 700 069
Date : August 12, 2013

By Order of the Board

Nitesh Kumar
Company Secretary

EXPLANATORY STATEMENT :

Item No. 5

The tenure of Mr. Chandra Prakash Agarwal as Managing Director was upto 31st March, 2014. Subject to the approval of the Shareholders in the next General Meeting, the Board of Directors have at their Meeting held on August 12, 2013, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Chandra Prakash Agarwal as Managing Director of the Company for a period of 5 years w.e.f. 1st April, 2014. He is a Bachelor of Commerce from Gorakhpur University having multifunctional experience of more than twenty six years. He is very well versed in all aspects of marketing, finance, costing, technical matters and administration. He is aged about 58 years. In his term of office spanning seven years, Mr. Chandra Prakash Agarwal has

contributed extensively towards the growth of the Company and has been actively responsible for the installation, implementation and functioning of units of the Company and attainment of the highest standards of quality. By focussing on key areas such as Finance, ERP implementation, Value Engineering, Process Documentation, Environment Health and Safety measures, he has significantly strengthened the foundation of the Company. The turnover of the Company has increased considerably under his guidance. In view of the significant contributions made by him, the Board of Directors recommend the appointment of Mr. Chandra Prakash Agarwal as a Managing Director of the Company for a period of five years on the remuneration as detailed hereinbelow, which shall be effective from April 01, 2014. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956.

Mr. Chandra Prakash Agarwal forms part of the Promoter Group as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and holds 31,12,000 Equity Shares in the Company. Further, he is a Director of Gallantt Metal Limited and working in the capacity of Managing Director.

Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Chandra Prakash Agarwal are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 (five) years w.e.f. 01.04.2014.
3. Remuneration :

Salary : At the rate of ₹ 1,00,000/- (Rupees One Lac only) per month from 1st April, 2014 in the scale of ₹ 1,00,000-10,000-1,40,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

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

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

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Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Managing Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule XIII to the Companies Act, 1956.

Sitting Fees : The Managing Director 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.

None of the Directors other than Mr. Chandra Prakash Agarwal and Mr. Prem Prakash Agarwal are interested or concerned in the said resolution.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval. In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The proposed resolution along with explanatory statement which sets out the material terms and conditions in respect of re-appointment of Mr. Chandra Prakash Agarwal as a Managing Director of the Company be also treated as an abstract and Memorandum of interest under Section 302 of the Companies Act, 1956.

The Agreement entered into with Mr. Chandra Prakash Agarwal in terms of the Special Resolution under item No. 5 of the notice will be made available for inspection at the Registered Office of the Company on any working day, prior to the date of this Ninth Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.30 A.M. at the place and date of the Meeting.

Item No. 6

The tenure of Mr. Prem Prakash Agarwal as Whole-time Director was upto 31st March, 2014. Subject to the approval of the Shareholders in the next General Meeting, the Board of Directors have at their Meeting held on August 12, 2013 pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Prem Prakash Agarwal as Whole-time Director of the Company for a period of 5 years w.e.f. 1st April, 2014. He is a Bachelor of Commerce from Gorakhpur University having an aggregate experience of more than twenty two years in the manufacturing of Wheat Flour Products and more than a decade in the steel industry. He supervises the functioning of various departments in the

organization such as Sales & Marketing, Estimation, Customer Relationship Management, Cost Audit, Human Resources, Purchase, Corporate Communications & IT, day to day administration, finance and accounts.

He is aged about 47 years. The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956. In his term of office since inception, Mr. Prem Prakash Agarwal 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 Company and attainment of the highest standards of quality. The Company has streamlined the process and achieved great administration within the organization under his superb guidance. In view of the significant contributions made by him, the Board of Directors recommend the appointment of Mr. Prem Prakash Agarwal as a Whole-time Director designated as Whole-time Director of the Company for a period of five years on the remuneration as detailed hereinbelow, which shall be effective from April 01, 2014.

Mr. Prem Prakash Agarwal forms part of the Promoter Group as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time and holds 33,333 Equity Shares in the Company. Further, he is neither a Director of any other public company nor holds membership of Committees.

Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Prem Prakash Agarwal are as follows :

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 (five) years w.e.f. 01.04.2014.
3. Remuneration :

Salary : At the rate of ₹ 1,00,000/- (Rupees One Lac only) per month from 1st April, 2014 in the scale of ₹ 1,00,000-10,000-1,40,000/- with provision for annual increment of ₹ 10,000/- from the beginning of the Financial Year i. e. 01.04.2015.

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

Others : Use of car for Company's business, telephone and other communication facilities at residence/ other places, reimbursement of travelling, entertainment and all other expenses for the purpose of business incurred by him shall

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not be treated as perquisites.

Commission : No commission shall be paid.

Minimum Remuneration : The above salary will be payable to the Whole-time Director even in case of loss or inadequacy of profits in respect of any financial year during his tenure of office in compliance with Schedule XIII to the Companies Act, 1956.

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

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

None of the Directors other than Mr. Prem Prakash Agarwal and Mr. Chandra Prakash Agarwal are interested or concerned in the said resolution.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval. In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The proposed resolution along with explanatory statement which sets out the material terms and conditions in respect of reappointment of Mr. Prem Prakash Agarwal as a Whole-time Director of the Company be also treated as an abstract and Memorandum of interest under Section 302 of the Companies Act, 1956.

The Agreement entered into with Mr. Prem Prakash Agarwal in terms of the Special Resolution under item No. 6 of the notice will be made available for inspection at the Registered Office of the Company on any working day, prior to the date of this Ninth Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.30 A.M. at the place and date of the Meeting.

Item No. 7

Mrs. Uma Agrawal, wife of Mr. Santosh Kumar Agarwal (Brother of Directors) has joined the Company and appointed as a Senior Executive (Office Administration) with effect from April 01, 2013. Her appointment was approved by the Board of Directors of the Company at its meeting held on April 01, 2013.

Mrs. Uma Agrawal is aged about 59 years and is a qualified Intermediate Examination. She held various positions in the Group Company M/s. Gallantt Udyog Limited before and significantly contributed to the growth of the Company. She

has vast experience in the field of Administration, particularly in day to day management of activities within and outside the organization. Keeping in view Company's recruitment policy Mrs. Uma Agrawal has been appointed in a senior level on the terms & conditions and in pursuance of service rules as applicable to the employees of the Company. Mrs. Uma Agrawal is related to Mr. Chandra Prakash Agarwal and Mr. Prem Prakash Agarwal both Directors of the Company and her appointment in place of profit attracts Section 314 of the Companies Act, 1956.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mrs. Uma Agrawal as Senior Executive (Administration) as a Special Resolution. Remuneration paid or proposed to be paid to Mrs. Uma Agrawal is commensurate with her experience and is in line with Company's HR policies and prevalent industry standards. The Board recommends this resolution. Except Mr. Chandra Prakash Agarwal and Mr. Prem Prakash Agarwal, none of the other Directors is concerned or interested in the above resolution.

Item No. 8

Mrs. Shyama Agrawal, wife of Mr. Prem Prakash Agarwal has joined the Company and has been appointed as a Senior Executive (Personnel) with effect from April 01, 2013. Her appointment was approved by the Board of Directors of the Company at its meeting held on April 01, 2013.

Mrs. Shyama Agrawal is aged about 45 years and is a qualified Intermediate Examination. Mrs. Shyama Agrawal held various positions in the Group Company M/s. Gallantt Udyog Limited before and significantly contributed to the growth of the Company. She has vast experience in the field of Personnel Management, particularly in formulation and execution of personnel policy. Apart from day to day management of personnel department, she is closely associated in formulation of HR policies and advising the management various other issues of her department. Keeping in view Company's recruitment policy Mrs. Shyama Agrawal has been appointed in a senior level on the terms & conditions and in pursuance of service rules as applicable to the employees of the Company. Mrs. Shyama Agrawal is related to Mr. Prem Prakash Agarwal and Mr. Chandra Prakash Agarwal both Directors of the Company and her appointment in place of profit attracts Section 314 of the Companies Act, 1956.

In the light of explanations and justifications given above, it is recommended to approve the appointment of Mrs. Shyama Agrawal as Senior Executive (Personnel) as a Special Resolution.