



**GALLANTT**

Building Tomorrow...

**GALLANTT ISPAT LIMITED**

Annual Report 2014-15



*Dear Shareowners,*

I have the privileged to address you as the Chairman of one of the most successful Iron & Steel and Agro Products manufacturing Companies in India which is into Integrated Steel Plants and Modern Flour Mills and focuses on efficiency in operations, reliability for buyers and continuous thrust on sustainable development.

During Fiscal 2014-15, the macroeconomic scenario showed signs of improvement helped by the fall in global crude prices, a more manageable current account deficit and smaller fiscal deficit. With the pressure on inflation reducing, the space has opened up for further monetary policy easing albeit some uncertainty remains on account of the potential impact of the monsoon on food prices. Steel industries are largely dependent on infrastructure sector. After the 2014 Lok Sabha elections resulted in a clear majority for the new Government, there has been considerable optimism that the bottlenecks affecting the infrastructure sector in particular will be cleared and we will see a more sustained revival of the growth cycle.

Though the steel industry had not fully recovered from the preceding years of slow down, your Company posted commendable all-round performance. This was possible to a large measure due to the relentless pursuit of internal efficiencies, product and market actions and

---

## Letter to Shareowners

---

above all a greater thrust in customer orientation. Also, your Company's manufacturing units are very modern with state-of-the-art steel and flour mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

Fiscal 2014-15 has been a watershed year for Gallantt Ispat. During the year the Company has proposed to expand the capacity of plants of the Company and is working on it. Honorable High Court at Kolkata has approved the amalgamation of Gallantt Udyog Limited with the Company in terms of Section 391 to 394 of the Companies Act, 2013. I believe 2014-15 is an inflexion point in our journey having gained tremendously in our collective self-belief to overcome business challenges and face the future with greater optimism. During the fiscal 2014-15 we have achieved our revenue and profitability targets which are healthier than that of previous year. These achievements were possible by implementation of higher levels of modernization, selection of appropriate technology, right product, right product mix combined with efforts put in by the whole team in the management hand in hand with a team of dedicated employees. I truly believe that it is not a chance occurrence but a sustainable performance since structural changes have been effected in the operating business model. We should obviously not rest on our laurels or allow a sense of complacency to set in. With general economic conditions set to ease further, your Company is poised to achieve even better in all areas in the coming year. In 2015-16, your Company will continue to maintain momentum to the business transformation exercises that are underway and strive to achieve pole position in all fronts.

I would like to gratefully acknowledge the trust and confidence reposed in us by you. The Management is conscious of your increasing expectations and is gearing to fulfill the same.

Yours truly,  
**C. P. Agrawal**  
CHAIRMAN

**GALLANTT ISPAT LIMITED**

Corporate Identity Number (CIN): L27109WB2005PLC101650

**Corporate Profile****BOARD OF DIRECTORS****Mr. Chandra Prakash Agrawal**  
*Chairman & Managing Director***Mr. Prem Prakash Agrawal**  
*Whole Time Director***Mr. Nitin M Kandoi**  
*Director-Plant Operation***Mr. Santosh Kumar Agrawal**  
*Director-Sales & Marketing***Mr. Rajesh Kumar Jain**  
*Non-Executive Independent Director***Mr. Jyotirindra Nath Dey**  
*Non-Executive Independent Director***Mr. Piyush Kankrania**  
*Non-Executive Independent Director***Ms. Sangeeta Upadhyay**  
*Non-Executive Independent Director***AUDITORS****Anoop Agarwal & Co.,**  
*Chartered Accountants***COST AUDITORS****U. Tiwari & Associates**  
*Cost Accountants***CHIEF EXECUTIVE OFFICER**

Mr. Mayank Agrawal

**CHIEF FINANCIAL OFFICER**

Mr. Amit Jalan

**COMPANY SECRETARY**

Mr. Nitesh Kumar

**REGISTERED OFFICE**1, Crooked Lane, Second Floor  
Room Nos. 222 & 223  
Kolkata - 700 069  
Telefax : 033-40642189  
Website: www.gallantt.com**REGISTRARS & SHARE TRANSFER AGENTS**Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, B.R.B. Basu Road  
Kolkata - 700 001  
Ph.: 033-22357270/7271/3070/2234  
Fax: 033-22156823**WORKS OFFICE**

- Plot No. AL-5, Sector - 23  
Gorakhpur Industrial Development  
Authority (GIDA)  
Sahjanwa, Gorakhpur  
Uttar Pradesh
- 60KM Stone  
Gorakhpur Lucknow Highway  
Sabdaiyan Kalan  
Basti, Gorakhpur  
Uttar Pradesh
- Gram - Mouza - Chipli  
Thana - Durgavati  
Dist. - Kaimur (Bhabhua)  
Bihar

**BANKERS**State Bank of India  
ICICI Bank  
HDFC Bank**EQUITY SHARES LISTED**Bombay Stock Exchange Limited  
National Stock Exchange of India  
Limited**AUDIT COMMITTEE**Mr. Piyush Kankrania- Chairman  
Mr. Rajesh Kumar Jain  
Mr. Jyotirindra Nath Dey**STAKEHOLDERS RELATIONSHIP  
COMMITTEE**Mr. Rajesh Kumar Jain - Chairman  
Mr. Piyush Kankrania  
Mr. Jyotirindra Nath Dey**NOMINATION AND  
REMUNERATION COMMITTEE**Mr. Jyotirindra Nath Dey - Chairman  
Mr. Piyush Kankrania  
Mr. Rajesh Kumar Jain**CORPORATE SOCIAL  
RESPONSIBILITY COMMITTEE**Mr. Jyotirindra Nath Dey - Chairman  
Mr. Chandra Prakash Agrawal  
Mr. Prem Prakash Agrawal**11th ANNUAL GENERAL MEETING**

Date	28.09.2015
Day	Monday
Time	11.00 A.M.
Place	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M.Feeder Road, P.O. - Belgharia, Kolkata - 700 056
Book Closure Date for AGM	Tuesday, September 22, 2015 to Monday, September 28, 2015 (both days inclusive)

**Members are requested to register their email address with the Depository Participants/Registrar & Share Transfer Agent.****Contents**Directors' Report **2** Corporate Governance **34**Auditors' Report **50** Balance Sheet **54** Statement of Profit & Loss **55**Cash Flow Statement **56** Notes on Financial Statement **58**



# DIRECTORS' REPORT

## TO THE MEMBERS

Your Directors have pleasure in presenting the 11th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2015.

## WORKING RESULTS

(₹ in Lacs)

Financial Results	2015	2014
Income from operation	56,074.10	47,327.85
Other Operating Income	272.13	53.63
Profit before Interest, Depreciation and Tax	5,481.09	4,981.91
Less: Finance Cost	960.51	1,541.16
Profit before Depreciation & Tax	4,520.58	3,440.75
Less: Depreciation (including amortization)	1,459.90	1,694.07
Less: Exceptional and Extraordinary Items	25.21	27.86
Less: Prior Period Expenses	(17.76)	0.02
Profit Before Tax	3,017.71	1,718.84
Tax Expenses	306.78	220.85
<b>Profit After Tax</b>	<b>2,710.93</b>	<b>1,497.99</b>

## PERFORMANCE REVIEW

During the year your Company has achieved revenue from operations of ₹ 56,074.10 Lacs, Net Profit of ₹ 2,710.93 Lacs and Earnings per Share (EPS) of ₹ 9.60 for the Financial Year ended March 31, 2015. This is a reflection of the quality of our assets and growing demand for our products across the region. The increase in turnover for the Financial Year 2014-15 by over 18% to ₹ 56,074.10 Lacs from ₹ 47,327.85 Lacs in the previous year essentially due to exploring the new market and wide acceptance of product of the Company. This spectacular achievement is the result of goal oriented workings, cost effective production, increase in operational efficiency and better working capital management.

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

## DIVIDEND

The management is pleased to recommend final dividend at the rate of ₹ 1.00/- (One Rupee only) per Equity Share on 2,82,36,072 Equity Shares of ₹ 10 /- each i.e. 10% on each Equity Share of the company, total outgo on account of dividend shall be ₹ 2,82,36,072 subject to tax.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- The directors have selected such accounting

policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## CORPORATE GOVERNANCE

The Company has always strived to maintain applicable standards of good corporate governance and the commitment to good corporate governance is embodied in its vision, mission and corporate values. In compliance with the requirements of Clause 49 of the Listing Agreement, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance forms an integral part of this Report. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis

Report is appended to the Annual Report.

#### 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 2015-16. The ISIN No. of the Company is INE528K01011

#### CREDIT RATING

India Ratings and Research, a Fitch Group Company (hereinafter referred to as "India Ratings") has assigned BB- as credit rating. Rating has been upgraded by India Ratings from "BB-" to "BB+".

#### FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year to which the provisions of Section 58A of Companies Act, 1956 and Section 73 of the Companies Act, 2013 are applicable.

#### AUDITORS & AUDITORS' REPORT

M/s. Anoop Agarwal & Co., Chartered Accountants, statutory auditors of the Company was reappointed as the Auditors of the Company at the previous Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, Statutory Auditors of the Company hold office until the conclusion of the 5 years. Necessary certificate has been obtained from the Auditors as per Section 139(1) of the Companies Act, 2013.

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

#### 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-A** to this Directors' report.

#### AMALGAMATION OF GALLANTT UDYOG LIMITED WITH THE COMPANY CHANGE IN THE NATURE OF BUSINESS

By an order dated May 14, 2015, the Honorable High Court at Calcutta has approved the Scheme of Amalgamation of Gallantt Udyog Limited with the Company. Pursuant to the Scheme of Amalgamation as approved, inter company holding of 1,02,45,592 Equity Shares held by Gallantt Udyog Limited (Transferor Company) in the Company has been cancelled and Board of Directors of the Company, at their meeting held on June 26, 2015, allotted 92,15,159 Equity Shares of ₹ 10/- fully paid up to the Equity Shareholders of Gallantt Udyog Limited, Transferor Company, in the ratio of 5:6 (five equity shares for every six equity shares held in Gallantt Udyog Limited). After giving effect to the above cancellation and allotment of shares, the issued, subscribed and paid up share capital is 2,82,36,072 Equity Shares of ₹ 10/- each.

Pursuant to the said Scheme, assets and liabilities and entire business of Gallantt Udyog Limited transferred

to the Company which includes Real Estate Business also. Annual Accounts have been prepared taking into account the effect of amalgamation as above and necessary consolidation has been done so as to include the financial figures of the Transferor Company in accordance with the applicable provisions.

#### COST AUDIT

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2013-14 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed to carry out the cost audit in respect of the Company for the financial year 2014-15. Based on the recommendation of the Audit Committee, M/s. U. Tiwari & Associates, Cost Accountants being eligible have also been appointed by the Board as the Cost Auditors for the financial year 2015-16.

#### FINANCE AND ACCOUNTS DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below:

Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India.

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.

Company has reported a healthy turnover with remarkable profit. Company continued to drive the virtuous circle of growth as evidenced in its performance during this year. Profitable volume growth is driven by investment in innovation and brands to deliver better products. Company leverages its scale to spread fixed costs and improve profitability while further investing in the business. Company aims to translate this profitable growth to superior cash generation through efficient capital management. The cash balances are managed prudently by deploying cash surplus in a balanced portfolio that is designed to offer safety, liquidity and returns. The Company's low debt equity ratio provides ample scope for gearing the Balance Sheet, should the need arise. Company has repaid in full Term Loan amount availed from the Bankers of the Company. Consequently, the interest cost has decreased significantly which in turn fetched a remarkable profit. The ratios of Debt/Equity and the Interest covers are healthy. The internal accruals are being utilized for in the business for meeting working capital requirements and in funding other capital expenditure.

## OUTLOOK AND EXPANSION

Despite stiff competition from other steel manufactures our buyers show preference to your company's products for its quality and timely delivery and hence your Directors are confident of achieving better working results in the coming years.

The Real Estate sector is showing more strength and hence business improvement is on the upswing.

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.

### Expansion Project:

The expansion plan by further investment in installation of new capacities and technology upgradation and modern machinery for increasing the capacity of the existing Units are being implemented.

## AWARD AND RECOGNITIONS

During the previous years, Company had received following awards and reconciliation:

1. Uttar Pradesh "Udyami Samman – 2011" has been awarded by Zee Media House which was presented by Shriprakash Jaiswal, Hon'ble Coal Minister, Central Government.
2. Awarded "Best Performing Company -2013 in Uttar Pradesh" by Sahara Samay Media House presented by Shri Akhilesh Yadav, Hon'ble Chief Minister of U.P.

## INSURANCE

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

## PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

People are our most valuable asset and your Company places the engagement, development and retention of

talent as its highest priority, to enable achievement of organisational vision. Structure, Process and Culture are the cornerstones of our Human Resources strategy and we have made strides in each area during the last year. Your Company's Human Resource agenda remained focused on reinforcing the key thrust areas. Industrial relations have remained harmonious throughout the year.

## BOARD OF DIRECTORS AND SENIOR EXECUTIVE

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, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, Mr. Jyotirindra Nath Dey, Mr. Rajesh Kumar Jain, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay were appointed as Independent Directors of your Company up to 5 (five) consecutive years.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Sangeeta Upadhyay has been appointed as Independent Woman Director. She can hold office for a term of upto five consecutive years on the Board of Directors of your Company and is not liable to retire by rotation.

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

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

Following amount of Unpaid Share Application Money and Unpaid Dividend has not been claimed and paid till 31.03.2015:

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In ₹)
Share Application Money	2010-11	HDFC Bank Account No. 00142300001609	71,900.00
Final Dividend for 2011	2010-11	HDFC Bank Account No. 00142300001876	9,929.00
Final Dividend for 2012	2011-12	HDFC Bank Account No. 00142300002332	5419.00
Final Dividend for 2013	2012-13	IDBI Bank Account No. 0135103000007344	17307.00
Final Dividend for 2014	2013-14	IDBI Bank Account No. 0135103000007900	3026.50

Unpaid dividend amounts and share application money are not available for use by the Company. There is no amount due and outstanding to be credited to Investors' Education and Protection Fund as on 31.03.2015.

## TRANSFER TO RESERVES

Your Directors propose to transfer ₹ 2371.08 Lacs to the General Reserve.

## 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.

## 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-B**.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report are annexed herewith as **Annexure-C**.

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

In the last Annual General Meeting held on September 09, 2014, appointment of Mr. Jyotirindra Nath Dey, Mr. Rajesh Kumar Jain, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyay as Independent Directors were aligned as per the Companies Act, 2013.

All the Independent Directors have given declarations that they meet the criteria required under section 149(6) of the Companies Act, 2013.

At their meeting held on July 10, 2014, Mr. Santosh Kumar Agrawal was appointed as Whole-time Director of the Company designated as Director (Sales and Marketing) and Mr. Nitin M Kandoi was appointed as Whole-time Director designated as Director (Plant Operation). Both the appointments were approved by the shareholders in the last Annual General Meeting held on September 09, 2014. Mr. Amit Jalan was appointed as a Chief Financial Officer of the Company effective from August 20, 2014.

## NUMBER OF MEETINGS OF BOARD AND AUDIT COMMITTEE HELD DURING THE YEAR 2014-2015

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report which forms part of this Report.

## DETAILS OF POLICIES

### (i) Nomination and Remuneration Policy

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

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

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

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

### (iii) Risk Management Policy

Business Risk Evaluation and Management is an ongoing process within the Organization. Pursuant

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

### (iv) Whistle Blower Policy – Vigil Mechanism

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

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company [www.gallantt.com](http://www.gallantt.com) under the following weblink :  
<http://goo.gl/p2FWPY>

## BOARD COMMITTEES

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

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

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

## NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR –

Company does not have Subsidiary Company.

## SECRETARIAL AUDITORS

Mr. Anurag Fatehpuria Practising Company Secretary, having office address at 23/1, Sita Nath Bose Lane, Salkia Howrah has been appointed as Secretarial Auditors of the Company for the FY ended 31.03.2015. The Secretarial audit report received from the Secretarial Auditors is annexed to this report marked as **Annexure-G** and forms part of this report.

## RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2015, being arm's length transactions have been reported in the financial

statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company [www.gallantt.com](http://www.gallantt.com) under the weblink :

<http://goo.gl/9TdDjp>

#### PARTICULARS OF EMPLOYEES

Particulars of Employees and Related disclosures

No employee of the Company is covered under the provisions of Section 197(12) of the Companies Act,

2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### 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	12.87 : 1
Prem Prakash Agrawal	Whole-time Director	12.87 : 1
Santosh Kumar Agrawal	Director (Sales & Marketing)	13.63 : 1
Nitin M Kandoi	Director (Plant-Operation)	11.45 : 1
Jyotirindra Nath Dey	Independent Director	N.A.*
Rajesh Kumar Jain	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*

- (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	53.85
Prem Prakash Agrawal	Whole-time Director	53.85
Santosh Kumar Agrawal	Director (Sales & Marketing)	N.A.
Nitin M Kandoi	Director (Plant-Operation)	36.92
Jyotirindra Nath Dey	Independent Director	N.A.*
Rajesh Kumar Jain	Independent Director	N.A.*
Piyush Kankrania	Independent Director	N.A.*
Sangeeta Upadhyay	Independent Director	N.A.*
Mayank Agrawal	Chief Executive Officer	10.00
Amit Jalan	Chief Financial Officer	14.33
Nitesh Kumar	Company Secretary	11.11

\* Except Sitting Fees, no remuneration is paid to the Non-executive Independent Directors.

- (c) percentage increase in the median remuneration of employees in the financial year 16.52%
- (d) number of permanent employees on the rolls of company : 477
- (e) explanation on the relationship between average increase in remuneration and company performance:

The profit before tax for the financial year ended March 31, 2015 increased by 75.57% (on post-amalgamation basis) and the profit after tax for

the financial year ended March 31, 2015 increased by 80.97% (on post-amalgamation basis), whereas the increase in median remuneration is 16.52%. 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 34.01%, whereas the profit before tax increased by 75.57% (on post-amalgamation basis) and the profit after tax increased by 80.97% (on post-amalgamation basis).



- (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:

16.14% (non-Managerial personnel) 6.18% (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	53.85	The Profit before Tax for the Financial Year ended March 31, 2015 increased by 75.57% (on post amalgamation basis) and the Profit after Tax for the Financial Year ended March 31, 2015 increased by 80.97% (on post amalgamation basis)
Prem Prakash Agrawal	Whole-time Director	53.85	
Santosh Kumar Agrawal	Director (Sales & Marketing)	N.A.	
Nitin M Kandoi	Director (Plant-Operation)	36.92	
Mayank Agrawal	Chief Executive Officer	10.00	
Amit Jalan	Chief Financial Officer	14.33	
Nitesh Kumar	Company Secretary	11.11	

- (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.

#### EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is attached as **Annexure-H**.

#### PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the equity listing

Agreement, the Board has carried out the annual performance evaluation of the Directors individually as well as evaluation of the working of the Board and of the Committees of the Board, by way of individual and collective feedback from Directors.

Pursuant to Para VII of Schedule IV of the Companies Act, 2013 and Clause 49(II)(B)(6) of the Equity Listing Agreement, a meeting of the Independent Directors of the Company was convened to perform the following:

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

Review the performance of the Chairperson of the Company, taking into account the views of executive directors and nonexecutive directors;

Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Nomination and Remuneration Committee also evaluated the performance of all the directors of the Company.

The criteria for evaluation are briefly provided below:

#### Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

#### Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

**Leadership & Initiative**

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

**Personal Attributes**

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

**FAMILIARISATION PROGRAMME**

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

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

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

<http://goo.gl/GyAOqd>

**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 Clause 49(II)(E) of the Listing Agreement, the Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

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

<http://goo.gl/8Tdjh>

**CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992. 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, 1992. Gallantt Ispat Limited - Code for Fair Disclosure' are available on the Company's website [www.gallantt.com](http://www.gallantt.com) under the weblink :

<http://goo.gl/CjgTCR>

**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, 2015 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.

**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.

**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 Clause 49 of the Listing Agreement.

**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.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

Place: Kolkata  
Date: August 28, 2015

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