BSE LIMITED

ANNEXURE – 21

ANNUAL REPORTS OF ALL LISTED TRANSFEREE COMPANIES AND AUDITED FINANCIALS OF ALL UNLISTED TRANSFEROR / TRANSFEREE COMPANIES

GALLANTT

GALLANTT ISPAT LIMITED

Annual Report 2018-19

My Dear Shareowners

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

Focussed efforts in expanding the plant capacities and expanding market by looking at the quality products resulted in volume growth to be the highest ever since installation of the manufacturing facilities. We continuously focussing in manufacturing quality products thereby moving forward in our journey of being the most inspirational steel manufacture brand for consumers. FY 2018-19 was an excellent year for Gallantt Ispat and reported the highest ever performance in terms of revenue growth, profitability and strategic growth. Our Company has reported a Revenue from operations at ₹ 1,229.27 Crores grew by 109.46% on year to year basis (standalone) and Profit after tax stood at ₹ 130.22 Crores thereby recorded a growth of 142.87% in Net Profit on year to year basis (standalone). Despite the unforeseen challenges from the external environment we continue to strengthen our internal operations by upgrading technology, streamlining processes and rationalization of human resources.

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

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

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

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

Thanks

C. P. Agrawal

GALLANTT ISPAT LIMITED

Corporate Identity Number (CIN): L27109DL2005PLC350523

Corporate Profile

BOARD OF DIRECTORS

Mr. Chandra Prakash Agrawal
Chairman & Managing Director
Mr. Santosh Kumar Agrawal
Director-Sales & Marketing
Mr. Prem Prakash Agrawal
Whole Time Director
Mr. Nitin Mahavir Prasad Kandoi
Director-Plant Operation
Mr. Dindayal Jalan
Non-Executive Independent Director
Mr. Ashtbhuja Prasad Srivastava
Non-Executive Independent Director
Mrs. Smita Modi
Non-Executive Independent Director
Mrs. Sangeeta Upadhyay
Non -Executive Independent Director

AUDITORS

Maroti & Associates,
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

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

Telefax: 011-41645392

Website: www.gallantt.com

BANKERS

State Bank of India
HDFC Bank

EQUITY SHARES LISTED ON

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

REGISTRARS & SHARE TRANSFER AGENTS

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

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

Email id: nichetechpl@nichetechpl.com

Website: www.nichetechpl.com

WORKS OFFICE

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

AUDIT COMMITTEE

Mrs. Smita Modi - Chairperson
Mr. Prem Prakash Agrawal
Mrs. Sangeeta Upadhyay

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sangeeta Upadhyay - Chairperson
Mrs. Smita Modi
Mr. Prem Prakash Agrawal

NOMINATION AND REMUNERATION COMMITTEE

Mr. Sangeeta Upadhyay - Chairperson
Mrs. Smita Modi
Mr. Ashtbhuja Prasad Srivastava

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Prem Prakash Agrawal - Chairperson
Mr. Chandra Prakash Agrawal
Mrs. Smita Modi

15th ANNUAL GENERAL MEETING	
Date	26.09.2019
Day	Thursday
Time	11.00 A.M.
Place	Geeta Bhawan, 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014, India.
Book Closure Date for AGM	Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive)
Members are requested to register their email address with the Depository Participants/Registrar & Share Transfer Agent.	

Contents

Notice **2** Directors' Report **26** Management Discussion and Analysis Report **48** Report on Corporate Governance **85** Auditors' Report **115** Balance Sheet **122** Statement of Profit and Loss **123** Cash Flow Statement **124** Statement of changes in Equity **126** Notes on Financial Statement **127** Consolidated Auditors' Report **155** Consolidated Balance Sheet **160** Consolidated Statement of Profit & Loss **161** Consolidated Cash Flow Statement **162** Consolidated Statement of changes in Equity **164** Consolidated Notes on Financial Statement **165**

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of GALLANTT ISPAT LIMITED (CIN: L27109DL2005PLC350523) will be held on Thursday, 26th September, 2019 at 11.00 A.M. at – "Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi - 110014 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

3. To consider and approve the appointment of Statutory Auditors of the Company for a term of 5 (five) years from conclusion of 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting and to fix their remuneration and to pass, the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with allied rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of Audit Committee and Board of Directors of the Company, the appointment of M/s. Maroti & Associates, Chartered Accountants (Firm Registration No. 322770E), as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of 15th (fifteenth) Annual General Meeting till the conclusion of the 20th (twentieth) Annual General Meeting, be and is hereby approved at a remuneration of ₹ 4.50 lacs (excluding applicable taxes and out-of-pocket expenses) towards the statutory audit fees for financial year 2019-20 including limited review of quarterly financial results and audit of internal financial controls over financial reporting."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise the remuneration of statutory auditor for the financial years 2020-21 to 2023-24 on the recommendation of the Audit Committee of the Company and such other approvals as may be required and also to do all such acts, deeds, matters and things as may be necessary, incidental or ancillary to the foregoing resolution."

SPECIAL BUSINESSES

4. **Re-appointment of Mr. Chandra Prakash Agrawal (DIN: 01814318) as Managing Director of the Company and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the reappointment of Mr. Chandra Prakash Agrawal (DIN: 01814318), as Managing Director of the Company for a term of 5 (five) years with effect from April 01, 2019 to March 31, 2024 not liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Chandra Prakash Agrawal with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Chandra Prakash Agrawal provided that the remuneration payable to Chandra Prakash Agrawal shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

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

   Salary :- At the rate of Rs. 3,00,000/- (Rupees Three Lacs only) per month from 1st April, 2019 in the scale of Rs. 3,00,000-25,000-4,25,000/- with provision for annual increment of Rs. 25,000/- from the beginning of the Financial Year i.e. 1st April, 2020.

   Perquisites :- He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding Rs. 5,00,000/- 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 V to the Companies Act, 2013.

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** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Chandra Prakash Agrawal any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals".

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

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

5. **Re-appointment of Mr. Santosh Kumar Agrawal (DIN: 01045228) as a Whole-time Director designated as Director (Sales & Marketing) and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution.**

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the reappointment of Mr. Santosh Kumar Agrawal (DIN: 01045228), as a Whole-time Director of the Company designated as "Director-Sales & Marketing" for a term of 5 (five) years with effect from July 10, 2019 to July 09, 2024 liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Santosh Kumar Agrawal with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Santosh Kumar Agrawal provided that the remuneration payable to Mr. Santosh Kumar Agrawal shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

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

Salary :- At the rate of Rs. 3,00,000/- (Rupees Three Lacs only) per month from 1st April, 2019 in the scale of Rs. 3,00,000-25,000-4,25,000/- with provision for annual increment of Rs. 25,000/- from the beginning of the Financial Year i.e. 1st April, 2020.

Perquisites :- He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding Rs. 5,00,000/- 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 V to the Companies Act, 2013.

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

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

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Santosh Kumar Agrawal any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals".

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

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

6. **Re-appointment of Mr. Prem Prakash Agrawal (DIN: 01397585) as a Whole-time Director and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution :**

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the reappointment of Mr. Prem Prakash Agrawal (DIN: 01397585), as a Whole-time Director of the Company for a term of 5 (five) years with effect from April 01, 2019 to March 31, 2024 liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Prem Prakash Agrawal with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Prem Prakash Agrawal provided that the remuneration payable to Mr. Prem Prakash Agrawal shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

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

Salary :- At the rate of Rs. 3,00,000/- (Rupees Three Lacs only) per month from 1st April, 2019 in the scale of Rs. 3,00,000-25,000-4,25,000/- with provision for annual increment of Rs. 25,000/- from the beginning of the Financial Year i.e. 1st April, 2020.

Perquisites :- He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding Rs. 5,00,000/- 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 V to the Companies Act, 2013.

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

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

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Prem Prakash Agrawal any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals".

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

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

7. Re-appointment of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952) as a Whole –time Director designated as Director (Plant – Operation) and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the reappointment of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), as a Whole-time Director of the Company for a term of 5 (five) years with effect from October 10, 2019 to October 09, 2024 liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Nitin Mahavir Prasad Kandoi with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Nitin Mahavir Prasad Kandoi provided that the remuneration payable to Mr. Nitin Mahavir Prasad Kandoi shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

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

Salary :- At the rate of Rs. 3,00,000/- (Rupees Three Lacs only) per month from 1st April, 2019 in the scale of Rs. 3,00,000-25,000-4,25,000/- with provision for annual increment of Rs. 25,000/- from the beginning of the Financial Year i.e. 1st April, 2020.

Perquisites: - He will be entitled to reimbursement of medical expenses and leave travel concession for self and family, club fees & premium for medical/accidental insurance subject to maximum amount not exceeding Rs. 5,00,000/- 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

V to the Companies Act, 2013.

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

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

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Nitin Mahavir Prasad Kandoi any remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors, subject to necessary sanctions and approvals".

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

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

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

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

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

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

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

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

10. Appointment of Mrs. Smita Modi (DIN: 01141396) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as an Ordinary resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, read with Schedule IV of the Companies Act, 2013 and the allied rules made thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other

applicable provisions, if any, (including any statutory modification or re-enactment thereof), and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the appointment of Mrs. Smita Modi (DIN: 01141396) as an Independent Director of the Company, not liable to retire by rotation, who is eligible for appointment, for a term of 5 (five) year with effect from June 23, 2019 up to June 22, 2024 based on the recommendation of Nomination and Remuneration Committee and in line with the approval of the Board of Directors."

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

11. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration Number 23872) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, be paid remuneration amounting to Rs. 50,000/- (Rupees Fifty Thousand only) excluding out of pocket expenses, if any".

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

For Gallantt Ispat Limited

Date: August 13, 2019
Place: Gorakhpur

Nitesh Kumar
(Company Secretary)

Notes:

1. The Explanatory Statement pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to the Ordinary Business as set out in Item No. 3 and pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Businesses as set out in Item No. 4, 5, 6, 7, 8, 9, 10 and 11 are annexed hereto. Additional Information, pursuant to Para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings") and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment of Mr. Nitin Mahavir Prasad Kandoi at the 15th Annual General Meeting is also annexed hereto. Futher, additional information pursuant to aforesaid provisions in respect of re-appointment of Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal, Mr. Prem Prakash Agrawal and Mr. Nitin Mahavir Prasad Kandoi and appointment of Mr. Ashtbhuja Prasad Srivastava, Mr. Dindayal Jalan and Mrs. Smita Modi at the 15th Annual General Meeting are made part of their respective explanatory statements.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING/ AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ATTACHED HEREWITH.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The proxy holder shall prove his/her identity at the time of attending the Meeting.

4. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy stands automatically revoked.

5. Requisition for inspection of proxies shall be received by the Company in writing from a Member entitled to vote on any resolution at least three days before the commencement of the Meeting.

6. Proxies shall be made available for inspection during the period beginning twenty four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.

7. Corporate Members intending to attend the Meeting are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Meeting.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive) for the purposes of the Annual General Meeting. Board of Directors has not recommended Final Dividend for the Financial Year 2018-19.

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

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

    i. The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;

    ii. The Registrar & Share Transfer Agent of the Company (R&T Agent) (in case of the shares held in Physical form).

11. Members holding shares in demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/ mandates or registration of nomination are to be instructed to their Depository Participant only, as the Company or its Registrar & Share Transfer Agent cannot act on any such request received directly from the Members holding shares in demat mode.

    However, Members holding shares in physical mode are requested to notify the Registrar & Share Transfer Agent of the Company of any change in their address and e-mail id as soon as possible.

12. Members are requested to contact the Company's Registrar & Share Transfer Agent Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.

com; Website: www.nichetechpl.com for reply to their queries/redressal of complaints, if any, or contact Mr. Nitesh Kumar, Company Secretary at the Registered Office of the Company (Phone No.: +91-11-41645392; Email: nitesh@gallantt.com).

13. Members, who have not yet encashed their dividend warrants for the financial year ended March 31, 2012, 2013, 2014, 2015, 2016, 2017, 2018 or Interim Dividend 2018-19 are requested to make their claim to the Company's Registrar & Share Transfer Agent immediately.

14. Members are requested to bring their attendance slip, duly signed as per the specimen signature recorded with the Company for admission into the Meeting Hall.

15. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the Meeting.

16. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar & Share Transfer Agent.

17. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's Registrar & Share Transfer Agent for consolidation into single folio.

18. Since, the securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, Members holding shares in physical form are requested to get their shares dematerialized at the earliest.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

    Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent, Niche Technologies Pvt. Ltd.

20. Electronic copy of the Annual Report 2018-19, Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. The physical copies of the Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to the registered address of the Members of the Company who have not registered their e-mail address in the permitted mode.

21. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.

22. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder, Memorandum and Articles of Association, Agreements entered into between the Company and Executive Directors etc. are open for inspection by the Members at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. to 1:00 p.m. and also at the AGM. Also, the Notice for this 15th AGM along with requisite documents and the Annual Report for the financial year 2018-19 shall also be available on the Company's website www.gallantt.com.

23. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is being provided by NSDL.

24. The facility for voting through Poll/Ballot Paper shall be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting through Poll/ Ballot Paper. The facility for voting by electronic voting system shall not be made available at the AGM of the Company.

25. The e-voting facility will be available during the following voting period:

    i. Commencement of remote e-voting: From 9.00 a.m. IST of September 23, 2019.

    ii. End of remote e-voting: Up to 5.00 p.m. IST of September 25, 2019.

26. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter and the facility will be blocked forthwith.

27. The voting rights of Members shall be in proportion to their shares of the total paid up equity share capital of the Company as on the cut-off date.

28. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of the Meeting and holding shares as of the cut-off date i.e. September 19, 2019, needs to refer the instruction above regarding login ID and password and may contact the Company or R&T Agent for any query or assistance in this regard.

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

29. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again or change it subsequently.

30. Only those Members, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Poll/ Ballot Paper.

31. The Company has appointed Mr. Tanmay Kumar Saha ,Practicing Company Secretary, (M. No. F8847 and CP No. 11918) as the Scrutinizer to scrutinize the voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.

32. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by use of Poll/ Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

33. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.

34. The Notice of the AGM shall be placed on the website of the Company and NSDL till the date of AGM. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.gallantt.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed.

    Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Head Office.

35. The route map showing directions to reach the venue of the Meeting is annexed.

36. The Company had released an Advertisement dated July 20, 2019 in National Daily viz., Business Standard and Vernacular daily Hindi viz., Naya India for transferring unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company has also sent individual communication dated July 19, 2019 to the concerned shareholders whose dividend remains unpaid or unclaimed for period of Seven (7) consecutive years since 2012, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned. The Complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company i.e., www.gallantt.com. For any communication, the shareholders may also send requests to the Company Secretary e-mail IDs: nitesh@gallantt.com.

37. A Minor shall not be appointed as a Proxy. The proxy of a member, who is blind or incapable of writing may be accepted if such member has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address, provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the member before he attached his signature or mark.

38. The proxy of a member who does not know English may be accepted if it is executed in the manner given in point no. 37 above and the witness certifies that it was explained to the member in the language known to him, and gives the member's name in English below the signature.

39. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS:**

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

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

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

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

    Details on Step 1 is mentioned below:

    How to Log-into NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

   (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

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

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly

authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tanmayks@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on **www.evoting.nsdl.com** to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

For Gallantt Ispat Limited

Date: August 13, 2019 **Nitesh Kumar**

Place: Gorakhpur *(Company Secretary)*

Explanatory statement pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Resolution at Item No. 3

In terms of Section 139 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the term of the present Statutory Auditors of the Company, M/s. Anoop Agarwal & Co., Chartered Accountants (ICAI Firm Registration No. 001739C) will be concluded at the end of 15th Annual General Meeting (AGM). The Company is required to appoint another Auditor for a period of five years to hold office from the conclusion of 15th AGM till the conclusion of 20th AGM to be held in the financial year 2024-25. The Board of Directors of the Company at its meeting held on August 13, 2019, after considering the recommendations of the Audit Committee, has recommended the appointment of M/s. Maroti & Associates, Chartered Accountants (ICAI Firm Registration No. 322770E) as Statutory Auditors of the Company for a term of five years from conclusion of 15th AGM to be held in the financial year 2019-20 to conclusion of 20th AGM of the Company to be held in the financial year 2024-25, for the approval of the Members.

M/s. Maroti & Associates, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder. The basis of recommendation for appointment and brief profile and credentials of M/s. Maroti & Associates are mentioned below:

M/s. Maroti & Associates, a firm of Chartered Accountants has over 24 years of experience in the field of Statutory Audit, Risk based approach, Ind AS, Impact study, Conversion and Support, Internal Audit, Management Audit, Risk Management/Advisory, Compliance & Training, Tax Compliance, Tax Audit and other allied services. Due to their long experience and repute the firm has been associated/impaneled with reputed organisation/statutory organisation.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. Maroti & Associates, Chartered Accountants as the Statutory Auditors of the Company for the aforesaid term at a remuneration of Rs. 4.50 Lacs towards the statutory audit for the financial year 2019-20 and remuneration for the financial years 2020-21 to 2023-24 may be revised based on the recommendations made by the Audit Committee and approved by the Board of Directors and such other authority as may be required.

The remuneration payable to the statutory auditors shall be exclusive of applicable taxes and all out of pocket expenses as may be incurred by the statutory auditor in course of their audit.

Pursuant to requirement of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of proposed fees of Rs. 4.50 Lacs payable to the statutory auditors for the financial year 2019-20 is mentioned below:

Type	Period	Amount
Statutory Audit of standalone and consolidated financial statements including audit of internal financial controls over financial reporting and limited review of quarterly financial results.	For FY 2019-20	Rs. 4.50 lacs

Further, the change in the fee payable to the new auditors from that paid to the outgoing auditor is largely due to size and standing of the firm of new auditors and the increased scope of work with respect to the limited review of the subsidiaries, if any/associate of the Company whose accounts are consolidated with it as specified in Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board recommends the resolutions set forth in item no. 3 for the approval of Members by way of

Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company and/ or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 3 of the Notice. The Board recommends the resolution set forth in item No. 3 for the approval of Members by way of ordinary Resolution.

For Gallantt Ispat Limited

Date: August 13, 2019 **Nitesh Kumar**
Place: Gorakhpur *(Company Secretary)*

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

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

ITEM NO. 4

Reappointment of Mr. Chandra Prakash Agrawal as a Managing Director for a period of five years

The Members of the Company at the Annual General Meeting of the Company held on September 19, 2013 approved the appointment of Mr. Chandra Prakash Agrawal, as the Managing Director of the Company and the terms and conditions of appointment including remuneration payable to him for a period of five years with effect from April 01, 2014 to March 31, 2019. Subsequently, remuneration of Mr. Chandra Prakash Agrawal was revised (increased) and the same was approved by the Shareholders at the Annual General Meeting held on September 26, 2017. The details of remuneration paid to Mr. Chandra Prakash Agrawal during his tenure have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report of the relevant financial years.

The Board of Directors, considering the scale of operations of the Company and his increased involvement for the overall growth of the Company especially in respect of expansion of production capacity of steel and power division and exploring new markets and deeper penetration of existing markets, at their meeting held on March 30, 2019, subject to approval of Members of the Company, has accorded approval for re-appointment of Mr. Chandra Prakash Agrawal as Managing Director for a term of 5 years with effect from April 01, 2019 to March 31, 2024, not liable to retire by rotation. The same was recommended by the Nomination and Remuneration Committee to the Board for approval. While recommending the said re-appointment, the Nomination and Remuneration Committee also recommended to increase the remuneration of Mr. Chandra Prakash Agrawal. Mr. Chandra Prakash Agrawal is a related party to the Company as per Section 2(76) of the Companies Act, 2013. As per Section 177(4) (iv) of the Companies Act, 2013; Regulation 18(3) and 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and terms of reference duly approved by the Board of the Company, the Audit Committee has to accord its approval to any related party transaction and accordingly the necessary approval of the Audit Committee for this agenda was obtained. Pursuant to the provisions of Sections 196, 197 and 203 read with Part I and Section I of Part II of Schedule V, other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the aforesaid re-appointment and revision in the remuneration of Mr. Chandra Prakash Agrawal, Managing Director requires approval of Members of the Company.

Mr. Chandra Prakash Agrawal is interested in this resolution. Mr. Prem Prakash Agrawal and Mr. Santosh Kumar Agrawal, Directors and Mr. Mayank Agrawal, Chief Executive Officer of the Company are interested in this resolution as they are relatives of Mr. Chandra Prakash Agrawal. None of the other Directors, Whole Time Director, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 4. Further, presently the Company has got no Manager.

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

The Agreement entered into with Mr. Chandra Prakash Agrawal in terms of the Special Resolution under item No. 4 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 15th Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.00 A.M. at the place and date of the Meeting. The Board recommends the resolutions set forth in item no. 4 for the approval of Members by way of Special Resolution.

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

Name of the Director	Mr. Chandra Prakash Agrawal
Director Identification No.	01814318
Father's Name	Late Govind Prasad Agrawal
Terms and Conditions of Appointment	As per the Agreement dated 30.03.2019
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	Rs. 24.00 Lacs
Remuneration proposed to be paid	As per the Agreement dated 30.03.2019 and specifically detailed in the Resolution above.
Date of Birth	25.12.1955
Age	64 Years
Date of first Appointment	01.08.2006
Brief Resume and expertise in specific functional areas	He is a Bachelor of Commerce from Gorakhpur University having multifunctional experience of more than three decades. He was the prime mover of the exponential growth of Gallantt Ispat Limited. He has been deeply involved with the manufacturing process and has progressively added production capacity.He spearheaded the marketing initiatives personally building brand Gallantt that undisputedly commands the market specifically in Uttar Pradesh. His finance, taxation, accounting, investor relations and corporate affairs involvement is phenomenal. The charismatic leadership, personal drive and strategic thinking of Mr. Chandra Prakash Agrawal has rallied our Company to attain market leadership in a very short period of time, in the state of U.P., Bihar and Delhi. In his term of office spanning 15 years, Mr. Chandra Prakash Agrawal has contributed extensively towards the growth of the Company and has been actively responsible for the installation, implementation and functioning of units of the project 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.The proposed remuneration will be within overall limit of Schedule V of the Companies Act, 2013. In view of the significant contributions made by him, the Board of Directors recommend the reappointment of Mr. Chandra Prakash Agrawal as a Managing Director designated as Chairman & Managing Director of the Company for a period of five years on the remuneration as detailed hereinbelow, which shall be effective from April 01, 2019.
Qualification	B.Com (H)
Directorship held in other Companies	Gallantt Metal Limited
Chairman/member of the committee of the Board of Directors of the Company	Member of Corporate Social Responsibility Committee
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	Member of Corporate Social Responsibility Committee of Gallantt Metal Limited
Number of shares held in the Company	5,23,40,040
No. of Board meetings attended during the financial year 2018-19	12 (Twelve)
Relationship with other Directors, Manager and KMPs of the Company	Mr. Chandra Prakash Agrawal is a brother of Mr. Prem Prakash Agrawal and Mr. Santosh Kumar Agrawal, Executive Directors and father of Mr. Mayank Agrawal, Chief Executive Officer of the Company.

ITEM NO. 5

Reappointment of Mr. Santosh Kumar Agrawal as a Whole-time Director designated as "Director – Sales & Marketing for a period of five years

The Members of the Company at the Annual General Meeting of the Company held on September 9, 2014 approved the appointment of Mr. Santosh Kumar Agrawal as a Whole-time Director of the Company designated as "Director-Sales & Marketing" and the terms and conditions of appointment including remuneration payable to him for a period of five years with effect from July 10, 2014, to July 09, 2019. Subsequently, remuneration of Mr. Santosh Kumar Agrawal was revised (increased) and the same was approved by the Shareholders at the Annual General Meeting held on September 26, 2017. The details of remuneration paid to Mr. Santosh Kumar Agrawal during his tenure have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report of the relevant financial years.

The Board of Directors, considering the scale of operations of the Company and his increased involvement for the overall growth of the Company especially in respect of sales and marketing functions and operation of Agro Division of the Company and exploring new markets and deeper penetration of existing markets, at their meeting held on March 30, 2019, subject to approval of Members of the Company, has accorded approval for re-appointment of Mr. Santosh Kumar Agrawal as a Whole-time Director for a term of 5 years with effect from July 10, 2019 to July 09, 2024. The same was recommended by the Nomination and Remuneration Committee to the Board for approval. While recommending the said re-appointment, the Nomination and Remuneration Committee also recommended to increase the remuneration of Mr. Santosh Kumar Agrawal. Mr. Santosh Kumar Agrawal is a related party to the Company as per Section 2(76) of the Companies Act, 2013. As per Section 177(4) (iv) of the Companies Act, 2013; Regulation 18(3) and 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and terms of reference duly approved by the Board of the Company, the Audit Committee has to accord its approval to any related party transaction and accordingly the necessary approval of the Audit Committee for this agenda was obtained. Pursuant to the provisions of Sections 196, 197 and 203 read with Part I and Section I of Part II of Schedule V, other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the aforesaid re-appointment and revision in the remuneration of Mr. Santosh Kumar Agrawal, Whole-time Director requires approval of Members of the Company.

Mr. Santosh Kumar Agrawal is interested in this resolution. Mr. Prem Prakash Agrawal and Mr. Chandra Prakash Agrawal, Directors and Mr. Mayank Agrawal, Chief Executive Officer of the Company are interested in this resolution as they are relatives of Mr. Santosh Kumar. None of the other Directors, Whole Time Director, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 5. Further, presently the Company has got no Manager.

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

The Agreement entered into with Mr. Santosh Kumar Agrawal 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 15th Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.00 A.M. at the place and date of the Meeting. The Board recommends the resolutions set forth in item no. 5 for the approval of Members by way of Special Resolution.

Brief Profile of Mr. Santosh Kumar Agrawal, Whole-time Director designated as "Director - Sales & Marketing, pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, is provided in the table below:

Name of the Director	**Mr. Santosh Kumar Agrawal**
Director Identification No.	01045228
Father's Name	Late Govind Prasad Agrawal
Terms and Conditions of Appointment	As per the Agreement dated 30.03.2019
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	Rs. 24.00 Lacs

Remuneration proposed to be paid	As per the Agreement dated 30.03.2019 and specifically detailed in the Resolution above.
Date of Birth	21.07.1951
Age	68 Years
Date of first Appointment	10.07.2014
Brief Resume and expertise in specific functional areas	Mr. Santosh Kumar Agrawal holds a Master Degree in Chemistry from Gorakhpur University, Uttar Pradesh. Mr. Santosh Kumar Agrawal has started his career years back and having experience of 45 years in the Steel, and Agro Industries. Mr. Santosh Kumar Agrawal was closely associated with Govind Mills Limited (amalgamated with Gallantt Udyog Limited) and during his tenure of service, Govind Mills Limited achieved a high level of turnover and growth. He has served Gallantt Udyog Limited in the capacity of Managing Director. He was looking after operations of the agro manufacturing facility of the Company apart from sales and marketing of the Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. Apart from the above, he has actively offered his consultancy in setting up of the operations of our Company and guided the project management team since inception.
Qualification	M. Sc. (H)
Directorship held in other Companies	Gorakhpur Texpark Private Limited (Under Process of Strike off)
Chairman/member of the committee of the Board of Directorsof the Company	NIL
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	NIL
Number of shares held in the Company	22,07,080
No. of Board meetings attended during the financial year 2018-19	11 (Eleven)
Relationship with other Directors, Manager and KMPs of the Company	Mr. Santosh Kumar is a brother of Mr. Prem Prakash Agrawal and Mr. Chandra Prakash Agrawal, Executive Directors and uncle of Mr. Mayank Agrawal, Chief Executive Officer of the Company.

ITEM NO. 6

Reappointment of Mr. Prem Prakash Agrawal as a Whole-time Director for a period of five years

The Members of the Company at the Annual General Meeting of the Company held on September 19, 2013 approved the appointment of Mr. Prem Prakash Agrawal as a Whole-time Director of the Company and the terms and conditions of appointment including remuneration payable to him for a period of five years with effect from April 01, 2014 to March 31, 2019. Subsequently, remuneration of Mr. Prem Prakash Agrawal was revised (increased) and the same was approved by the Shareholders at the Annual General Meeting held on September 26, 2017. The details of remuneration paid to Mr. Prem Prakash Agrawal during his tenure have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report of the relevant financial years. He is a Bachelor of Commerce from Gorakhpur University having an aggregate experience of more than twenty seven years in the manufacturing of Wheat Flour Products and more than twenty years 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 53 years.

The Board of Directors, considering the scale of operations of the Company and his increased involvement for the overall growth of the Company especially in respect of purchase and marketing functions for all the divisions of the Company, at their meeting held on March 30, 2019, subject to approval of Members of the Company, has accorded approval for re-appointment of Mr. Prem Prakash Agrawal as a Whole-time Director for a term of 5 years with effect

from April 01, 2019 to March 31, 2024. The same was recommended by the Nomination and Remuneration Committee to the Board for approval.

While recommending the said re-appointment, the Nomination and Remuneration Committee also recommended to increase the remuneration of Mr. Prem Prakash Agrawal. Mr. Prem Prakash Agrawal is a related party to the Company as per Section 2(76) of the Companies Act, 2013. As per Section 177(4) (iv) of the Companies Act, 2013; Regulation 18(3) and 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and terms of reference duly approved by the Board of the Company, the Audit Committee has to accord its approval to any related party transaction and accordingly the necessary approval of the Audit Committee for this agenda was obtained. Pursuant to the provisions of Sections 196, 197 and 203 read with Part I and Section I of Part II of Schedule V, other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the aforesaid re-appointment and revision in the remuneration of Mr. Prem Prakash Agrawal, Whole-time Director requires approval of Members of the Company.

Mr. Prem Prakash Agrawal is interested in this resolution. Mr. Chandra Prakash Agrawal and Mr. Santosh Kumar Agrawal, Directors and Mr. Mayank Agrawal, Chief Executive Officer of the Company are interested in this resolution as they are relatives of Mr. Prem Prakash Agrawal. None of the other Directors, Whole Time Director, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 6. Further, presently the Company has got no Manager.

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

The Agreement entered into with Mr. Prem Prakash Agrawal 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 15th Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.00 A.M. at the place and date of the Meeting. The Board recommends the resolutions set forth in item no. 6 for the approval of Members by way of Special Resolution.

Brief Profile of Mr. Prem Prakash Agrawal, Whole-time Director designated as "Director - Sales & Marketing, pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, is provided in the table below:

Name of the Director	Mr. Prem Prakash Agrawal
Director Identification No.	01397585
Father's Name	Late Govind Prasad Agrawal
Terms and Conditions of Appointment	As per the Agreement dated 30.03.2019
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	Rs. 24.00 Lacs
Remuneration proposed to be paid	As per the Agreement dated 30.03.2019 and specifically detailed in the Resolution above.
Date of Birth	17.04.1966
Age	53 Years
Date of first Appointment	11.02.2005 (Since Incorporation)
Brief Resume and expertise in specific functional areas	He was closely associated with Govind Mills Limited (amalgamated with) Gallantt Udyog Limited. Over the period he has understood the business techniques in the field of Production, Marketing, Accounts and Finance etc. He is a Bachelor of Commerce from Gorakhpur University having an aggregate experience of more than twenty seven years in the manufacturing of Wheat Flour Products and more than twenty years 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.
Qualification	B.Com (H)
Directorship held in other Companies	NIL

Chairman/member of the committee of the Board of Directors of the Company	**Chairman:** Corporate Social Responsibility Committee **Member:** Audit Committee Stakeholders Relationship Committee
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	NIL
Number of shares held in the Company	25,92,130
No. of Board meetings attended during the financial year 2018-19	11 (Eleven)
Relationship with other Directors, Manager and KMPs of the Company	Mr. Prem Prakash Agrawal is a brother of Mr. Santosh Kumar Agrawal and Mr. Chandra Prakash Agrawal, Executive Directors and uncle of Mr. Mayank Agrawal, Chief Executive Officer of the Company.

ITEM NO. 7

Reappointment of Mr. Nitin Mahavir Prasad Kandoi as a Whole-time Director designated as "Director-Plant Operation" for a period of five years

The Members of the Company at the Annual General Meeting of the Company held on September 9, 2014 approved the appointment of Mr. Nitin Mahavir Prasad Kandoi as a Whole-time Director designated as "Director-Plant Operation" of the Company and the terms and conditions of appointment including remuneration payable to him for a period of five years with effect from October 10, 2014 to October 09, 2019. Subsequently, remuneration of Mr. Nitin Mahavir Prasad Kandoi was revised (increased) and the same was approved by the Shareholders at the Annual General Meeting held on September 26, 2017. The details of remuneration paid to Mr. Nitin Mahavir Prasad Kandoi during his tenure have been disclosed in the annexure to the Directors' Report and in the Corporate Governance Report of the relevant financial years. Mr. Nitin Mahavir Prasad Kandoi, a promoter of the Company having experience of 24 years in the steel industry, is a Commerce Graduate from Mumbai University. Mr. Kandoi was involved in the operations of the steel manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited) since 1995. He was involved in setting up of the operations of our Company and has been instrumental in the implementation of technological advances made in the manufacturing processes of our Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company. Mr. Kandoi supervises the operation and functioning of steel and power plants, besides he supervises purchase and procurement departments of the Company. He is aged about 47 years. The proposed remuneration will be within overall limit of Schedule V of the Companies Act, 2013. In his term of office since inception, Mr. Kandoi 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 reappointment of Mr. Kandoi as a Whole-time Director designated as "Director-Plant Operation" for a period of five years on the remuneration as detailed hereinbelow, which shall be effective from October 10, 2019. The Board of Directors, considering the above, at their meeting held on March 30, 2019, subject to approval of Members of the Company, has accorded approval for re-appointment of Mr. Nitin Mahavir Prasad Kandoi as a Whole-time Director for a term of 5 years with effect from October 10, 2019 to October 09, 2024. The same was recommended by the Nomination and Remuneration Committee to the Board for approval. While recommending the said re-appointment, the Nomination and Remuneration Committee also recommended to increase the remuneration of Mr. Nitin Mahavir Prasad Kandoi. Mr. Nitin Mahavir Prasad Kandoi is a related party to the Company as per Section 2(76) of the Companies Act, 2013. As per Section 177(4) (iv) of the Companies Act, 2013; Regulation 18(3) and 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and terms of reference duly approved by the Board of the Company, the Audit Committee has to accord its approval to any related party transaction and accordingly the necessary approval of the Audit Committee for this agenda was obtained. Pursuant to the provisions of Sections 196, 197 and 203 read

with Part I and Section I of Part II of Schedule V, other applicable provisions, if any, of the Companies Act, 2013 and the allied rules made thereunder (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the aforesaid re-appointment and revision in the remuneration of Mr. Nitin Mahavir Prasad Kandoi, Whole-time Director requires approval of Members of the Company.

Mr. Nitin Mahavir Prasad Kandoi is interested in this resolution. None of the other Directors, Whole Time Directors, Chief Financial Officer, Company Secretary or their relatives have got any concern or interest whether financial or otherwise, if any, in respect of Resolution proposed at item No. 7. Further, presently the Company has got no Manager.

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

The Agreement entered into with Mr. Nitin Mahavir Prasad Kandoi in terms of the Special Resolution under item No. 7 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 15th Annual General Meeting between 11.00 A. M. and 1.00 P. M. and will also be available for inspection from 11.00 A.M. at the place and date of the Meeting. The Board recommends the resolutions set forth in item no. 7 for the approval of Members by way of Special Resolution.

Brief Profile of Mr. Nitin Mahavir Prasad Kandoi, Whole-time Director designated as "Director – Plant Operation, pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI Listing (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, is provided in the table below:

Name of the Director	Mr. Nitin Mahavir Prasad Kandoi
Director Identification No.	01979952
Father's Name	Late Mahavir Prasad
Terms and Conditions of Appointment	As per the Agreement dated 30.03.2019
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	Rs. 24.00 Lacs
Remuneration proposed to be paid	As per the Agreement dated 30.03.2019 and specifically detailed in the Resolution above.
Date of Birth	21.07.1972
Age	47 Years
Date of first Appointment	15.07.2007
Brief Resume and expertise in specific functional areas	Mr. Nitin Mahavir Prasad Kandoi, a promoter of the Company having experience of 24 years in the steel industry, is a Commerce Graduate from Mumbai University. Mr. Kandoi was involved in the operations of the steel manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited) since 1995. He was involved in setting up of the operations of our Company and has been instrumental in the implementation of technological advances made in the manufacturing processes of our Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company. Mr. Kandoi supervises the operation and functioning of steel and power plants, besides he supervises purchase and procurement departments of the Company.
Qualification	B.Com (H)
Directorship held in other Companies	Gallantt Metal Limited
Chairman/member of the committee of the Board of Directors of the Company	NIL
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	**Chairman:** Stakeholders Relationship Committee of Gallantt Metal Limited **Member:** 1. Audit Committee of Gallantt Metal Ltd. 2.Nomination and Remuneration Committee of Gallantt Metal Ltd.
Number of shares held in the Company	4,75,000
No. of Board meetings attended during the financial year 2018-19	13 (Thirteen)
Relationship with other Directors, Manager and KMPs of the Company	No relation.

ITEM NO. 8

Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director

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

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Ashtbhuja Prasad Srivastava shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Ashtbhuja Prasad Srivastava, signifying his candidature as a Director and also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements Regulations,) 2015 for appointment as Independent Director and he is independent of the management of the Company.

Terms and conditions of his appointment as mentioned in the letter for appointment of Mr. Ashtbhuja Prasad Srivastava as Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Mr. Ashtbhuja Prasad Srivastava is deemed to be interested in the proposed resolution mentioned at Item No. 8 of the Notice.

None of the Directors or Key Managerial Personnel of the Company, and/ or their relatives other than Mr. Ashtbhuja Prasad Srivastava are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 8 of the Notice.

The Board recommends the resolutions set forth in Item No. 8 for the approval of Members by way of an Ordinary Resolution.

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

Name of the Director	Mr. Ashtbhuja Prasad Srivastava
Director Identification No.	08434115
Father's Name	Shri Umashanker Lal Srivastava
Terms and Conditions of Appointment	As per the appointment letter dated 29.04.2019.
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	N.A.
Remuneration proposed to be paid	Sitting Fees
Date of Birth	24.06.1951
Age	68 Years
Date of first Appointment	29.04.2019
Brief Resume and expertise in specific functional areas	Mr. Ashtbhuja Prasad Srivastava, aged about 68 years, has been an officer of Indian Revenue Service (IRS), 1976 batch**.** Being in the post of Chief Commissioner, Income Tax Mr. Ashtbhuja Prasad Srivastava has a vast experience of 35 years in the field of finance, accounts, taxation and audit. His vast expertise would an asset for the Company as he would prove to be an accomplished team leader, mentor and motivator with excellent administrative capabilities. He has the expertise to formulate effective strategies, innovative tax planning and effectively manage compliance of taxation law. At present he is not associated with any company or organization.

Qualification	Indian Revenue Service
Directorship held in other Companies	Gallantt Metal Limited
Chairman/member of the committee of the Board of Directors of the Company	Member of Nomination and Remuneration Committee
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	NIL
Number of shares held in the Company	NIL
No. of Board meetings attended during the financial year 2018-19	N.A.
Relationship with other Directors, Manager and KMPs of the Company	No relation.

ITEM NO. 9

Appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director

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

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Dindayal Jalan shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Dindayal Jalan, signifying his candidature as a Director and also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Independent Director and he is independent of the management of the Company.

Terms and conditions of his appointment as mentioned in the letter for appointment of Mr. Dindayal Jalan as Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Mr. Dindayal Jalan is deemed to be interested in the proposed resolution mentioned at Item No. 9 of the Notice.

None of the Directors or Key Managerial Personnel of the Company, and/ or their relatives other than Mr. Dindayal Jalan are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 9 of the Notice.

The Board recommends the resolutions set forth in Item No. 9 for the approval of Members by way of an Ordinary Resolution.

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

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

ITEM NO. 10

Appointment of Mrs. Smita Modi (DIN: 01141396) as an Independent Director

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on June 23, 2019 approved the appointment of Mrs. Smita Modi (DIN: 01141396) as an Additional Director in the category of Independent Director, not liable to retire by rotation, for a term of five years with effect from June 23, 2019 valid till June 22, 2024.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mrs. Smita Modi shall hold office up to the date of this Annual General Meeting ("AGM") as she is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mrs. Smita Modi, signifying her candidature as a Director and also received a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. In the opinion of the Board, she fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 for appointment as Independent Director and she is independent of the management of the Company.

Terms and conditions of her appointment as mentioned in the letter for appointment of Mrs. Smita Modi as Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company on all working days, except Saturday, between 11:00 a.m. and 1:00 p.m. up to the date of the ensuing Annual General Meeting. Mrs. Smita Modi is deemed to be interested in the proposed resolution mentioned at Item No. 10 of the Notice.

None of the Directors or Key Managerial Personnel of the Company, and/ or their relatives other than Mrs. Smita Modi are, in any way, concerned or interested, financially or otherwise, in the proposed resolution mentioned at Item No. 10 of the Notice.

The Board recommends the resolutions set forth in Item No. 10 for the approval of Members by way of an Ordinary Resolution.

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

Name of the Director	Mrs. Smita Modi
Director Identification No.	01141396
Father's Name	Mr. Ganga Saran Shukla
Terms and Conditions of Appointment	As per the appointment letter dated 23.06.2019.
Remuneration drawn in financial year 2018-19 (including sitting fees, if any)	N.A.
Remuneration proposed to be paid	Sitting Fees
Date of Birth	11-10-1955
Age	64 Years
Date of first Appointment	23.06.2019
Brief Resume and expertise in specific functional areas	Mrs. Smita Modi, aged about 64 years completed her graduation and post graduation in Obstetrics and Gynaecology from BRD Medical College, Gorakhpur. She is successfully running a Nursing Home along with working actively in Arogya Mandir, a naturopathy centre. Arogya Mandir was established by famous naturopath and freedom fighter late Vithaldas Modi in 1940.
Qualification	M.B.B.S. BRD Medical College, Gorakhpur
Directorship held in other Companies	Buddha Diagnostic Centre Private Limited

Chairman/member of the committee of the Board of Directors of the Company	**Chairman:** Audit Committee **Member:** Stakeholders Relationship Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee
Chairman/member of the committee of the Board of Directors of other companies in which he/she is a director	NIL
Number of shares held in the Company	NIL
No. of Board meetings attended during the financial year 2018-19	N.A.
Relationship with other Directors, Manager and KMPs of the Company	No relation.

ITEM NO. 11

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 the Board of Directors at its meeting held on August 13, 2019 appointed M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration No. 23872), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, at a remuneration amounting to Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 11 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 11 of this Notice. The Board recommends the resolutions set forth in item no. 11 for the approval of Members by way of Ordinary Resolution.

For Gallantt Ispat Limited

Date: August 13, 2019
Place: Gorakhpur

Nitesh Kumar
(Company Secretary)

Road Map of Venue of 15th Annual General Meeting

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have the pleasure in presenting the 15th Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

CORPORATE OVERVIEW

Gallantt Ispat Limited ("Your Company" or "The Company") is a leading Iron and Steel manufacturing Company in Eastern Uttar Pradesh. The Company has its Registered Office at New Delhi and Factory at Gorakhpur, Uttar Pradesh.

WORKING RESULTS

(₹in Lacs)

	Standalone		Consolidated	
	2019	2018	2019	2018
Financial Results				
Income from operation	1,22,927.06	58,688.23	1,22,927.06	58,688.23
Other Operating Income	204.50	152.89	204.50	158.63
Finance Cost	967.94	857.17	967.94	857.17
Depreciation (including amortization)	2,589.53	1,836.71	25,89.53	1,836.71
Profit Before Tax	16,631.38	6,681.96	16,631.38	6,682.18
Tax Expenses (including Deferred Tax)	3,609.34	1,320.16	3,609.34	1,320.31
Profit After Tax	1,30,22.04	5,361.80	13,022.04	5,361.87
Share of Profit from Associate	-	-	3,356.85	2,393.95
Profit for the Period	**13,022.04**	**5,361.80**	**16,378.89**	**7,755.82**

FINANCIAL ACCOUNTING AND ADOPTION OF IND AS

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

BUSINESS OPERATION AND PERFORMANCE REVIEW

During the year Revenue from Operations stood at ₹ 1,22,927.06 Lacs as compared to ₹ 58,688.23 Lacs during the FY 17-18. This Fiscal has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 109.46% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company recorded a growth of 142.87% in Net Profit on year to year basis (standalone) despite a relatively sluggish industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Standalone and Consolidated Net Profit stood at ₹ 13,022.04 Lacs and ₹ 16378.89 Lacs respectively. Standalone Earnings per Share (EPS) stood at ₹ 4.61 (face value of Re. 1/- each) and Consolidated Earnings per Share (EPS) stood at ₹ 5.80 (face value of Re. 1/- each) for the Financial Year ended March 31, 2019. There is no change in the nature of the business of the Company. Disclosure of financial statement of Associate Company M/s. Gallantt Metal Limited has been provided in the prescribed format as a part of this Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. Factory had been working efficiently during the year. Safety measures and processes have been installed and improved upon at the plants and work sites.

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

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

DIVIDEND

During the year, your Directors recommended and paid an Interim Dividend of 5 (Paise Five only) per Equity Share on 2,82,36,0720 Equity Shares of Re. 1 /- each i.e. 5% on each Equity Share of the company, total outgo on account of dividend shall be ₹ 1,41,18,036 subject

to tax. Wednesday, November 28, 2018 was fixed as Record Date for the purposes of payment of Interim Dividend declared as above.

Securities and Exchange Board of India ('SEBI'), vide its notification dated 8 July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market Capitalization calculated as on 31 March of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites (www.gallantt.com).

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

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at 2,823.61 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the company hold instruments convertible into equity shares of the Company. The Company has paid Listing Fees for the financial year 2019-20 to each of the Stock Exchanges, where its equity shares are listed. During the year Four Wholly Owned Subsidiaries viz. Antarmukh Steel Manufacturer Private Limited, Bhavika Smeltors and Food Products Private Limited, Shrinu Rolls and Milling Private Limited and Satlaj Rolls and Milling Private Limited amalgamated with the Company. Since, entire shareholding of these four Wholly Owned Subsidiaries were held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director- ER) the Authorised Share Capital of these Wholly Owned Subsidiaries clubbed/merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at ₹ 49,88,50,000/-

BUSINESS GROWTH

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the Accounts for the financial year ended 31st March 2019 on a 'going concern' basis;

(v) they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and are operating effectively.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, IND AS is applicable to the Company from the Financial

Year commencing from April 01, 2017. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019. Financial Statement has been prepared as per applicable Ind-AS.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

LISTING INFORMATION

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2019-20. The ISIN No. of the Company is INE528K01029.

CREDIT RATING

Vide its rating letter dated bearing reference no. LOA/GALLIL/197034/BLR/0418/07904 dated April 02, 2018, Crisil Limited had assigned Credit Rating CRISIL BBB-/Stable (for Long-Term Rating) and CRISIL A3 (for Short Term Rating). **Company has sent its letter of withdrawal of rating to Crisil Limited along with No-Objection Certificates from the Bankers. In response to our request for withdrawal of Credit Rating assigned as above, Crisil Limited, vide its withdrawal letter dated July 25, 2019, has withdrawn rating assigned as above.**

During the year under report, vide its rating letter bearing reference no. BWR/BLR/DEL/IRC/RK/1240/2019-20 dated June 19, 2019, the Rating agency M/s. Brickwork Ratings India Private Limited has upgraded and assigned BWR BBB+ rating for the Company's Fund Based Long Term facilities (long term) and BWR A2 for Non-Fund based Short Term facilities.

FIXED DEPOSITS

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

AUDITORS & AUDITORS' REPORT

M/s. Anoop Agarwal & Co., Chartered Accountants, Firm Registration No. 324666E, were appointed as Auditors at the Tenth Annual General Meeting (AGM) of the Company held on 9th September, 2014 for a term of 5 years to hold office till the conclusion of the Fifteenth AGM. In terms of the provisions of the Companies Act, 2013, read with Rules made thereunder, no listed Company shall appoint an audit firm as Auditor for more than two consecutive terms of five years each and an audit firm which has completed its term shall not be eligible for reappointment as auditor in the same company. In view of the above, the term of M/s. Anoop Agarwal & Co. as Auditors will come to an end at the conclusion of the 15th AGM. The Board of Directors, based on the recommendation of the Audit Committee, have proposed the appointment of M/s. Maroti & Associates, Chartered Accountants (Firm Registration Number 322770E), 38, Nehru Place, Ausal Tower, Office No. 1209, New Delhi-110019 as the Statutory Auditors of the Company in place of M/s. Anoop Agarwal & Co., to hold office from the conclusion of the ensuing AGM till the conclusion of the 20th AGM, subject to ratification of their appointment at every AGM, if so required under the Act. M/s. Maroti & Associates, Chartered Accountants have consented to act as Auditors if appointed and have also confirmed that their appointment will be in accordance with Section 139 read with Section 141 of the Act. The notes on accounts referred to the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

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

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

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

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

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

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

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

COST AUDIT

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2017-18 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed with the approval of the Central Government to carry out the

cost audit in respect of the Company for the financial year 2018-19.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. U. Tiwari & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2019-20 on a remuneration of ₹ 50,000/- plus out of pocket expenses as mentioned in the Notice of 15th Annual General Meeting.

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

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

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

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

INSURANCE

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

INTERNAL COMPLAINT REGARDING SEXUAL HARRASSMENT

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

BOARD COMMITTEES

Details of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee have been disclosed under Corporate Governance Report. Board of Directors has reconstituted all the above Committees and the same has been disclosed under Corporate Governance Report.

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

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

PARTICULARS OF EMPLOYEES

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

MARKET AND FUTURE PROSPECTS

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

DETAILS OF POLICIES

(i) Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The summary of Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The Remuneration Policy is uploaded on the website of the Company. The web link to the Remuneration Policy is as under: https://www.gallantt.com/Investors Corner/ Gallantt Ispat

Limited/Nomination and Remuneration Policy/ Remuneration Criteria Non-Executive Director-w.e.f. 01.04.2019.

(ii) Corporate Social Responsibility Policy (CSR)

The Board has, on the recommendation of the CSR Committee, approved the CSR Policy. The Company's CSR Policy is available on the Company's website www.gallantt.com and the same is also attached herewith as **ANNEXURE - VI.**

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of Health, Education and rural development, eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is also attached herewith as **ANNEXURE-VII.**

(iii) Risk Management Policy

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

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

The web link to the Risk Management Policy is as under: https://www.gallantt.com/Investors Corner/ Gallantt Ispat Limited/ Risk Management Policy-w.e.f. 01.04.2019.

(iv) Whistle Blower Policy – Vigil Mechanism

Your Company has formulated a Vigil Mechanism Policy with a view to provide a mechanism for employees and directors of the Company to approach the Chairman of the Audit Committee to ensure adequate safeguards against victimisation. This policy would help to create an environment wherein individuals feel free and secure to raise an alarm, whenever any fraudulent activity takes place or is likely to take place. It will also ensure that complainant(s) are protected from retribution, whether within or outside the organization. The Board has elected Mr. 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 under the link: https://www.gallantt.com/Investors Corner/ Gallantt Ispat Limited/ Whistle Blower Policy-w.e.f. 01.04.2019.

SECRETARIAL AUDITORS

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

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

FAMILIARISATION PROGRAMME

Your Company follows a structured orientation and familiarization programme through various reports/

codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com under the Investors Corner of Gallantt Ispat Limited under the link: https://www.gallantt.com/ Investors Corner/ Gallantt Ispat Limited/Famaliarization Programme Imparted.

CODE OF CONDUCT

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

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

The full text of the Code is hosted on the Company's website www.gallantt.com under the Investors Corner of Gallantt Ispat Limited under the link: https://www.gallantt.com/Investors Corner/ Gallantt Ispat Limited/ Code of Conduct of BOD-w.e.f. 01.04.2019.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the "Code of Conduct" as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The full text of the Code is hosted on the Company's website www.gallantt.com under the Investors Corner of Gallantt Ispat Limited under the link: https://www.gallantt.com/Investors Corner/ Gallantt Ispat Limited/ Code of Conduct of Insider Trading-w.e.f. 01.04.2019.

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

Thirteen (13) meetings of the Board of Directors of the Company were conducted during the financial year and Ten (10) meetings of the Audit Committee of the Board of Directors were conducted during the financial year. The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

AUDIT COMMITTEE

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

Names	Designation	Category
Mrs. Smita Modi	Chairperson	Independent
Mrs.Sangeeta Upadhyay	Member	Independent
Mr. Prem Prakash Agarwal	Member	Executive

Mr. Piyush Kankrania and Mr. Sanchit Dubey, Independent Directors were holding the position of Chairperson and member of the Audit Committee respectively. Both the Directors have tendered their resignation from the Directorship of the Company effective from April 29, 2019 and consequently they also relinquished the positions in Audit Committee also. Further, Mr. Jyotirindra Nath Dey, Independent Director also resigned from the Directorship of the Company effective from June 23, 2019 and consequently relinquished the membership of the Audit Committee. Audit Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Smita Modi as a Chairperson, Mrs. Sangeeta Upadhyay and Mr. Prem Prakash Agrawal as Members of the Audit Committee.

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Names	Designation	Category
Mrs. Sangeeta Upadhyay	**Chairperson**	**Independent**
Mrs. Smita Modi	**Member**	**Independent**
Mr. Prem Prakash Agarwal	**Member**	**Executive**

Mr. Sanchit Dubey and Mr. Piyush Kankrania, Independent Directors were holding the position

of Chairperson and member of the Stakeholders Relationship Committee respectively. Both the Directors have tendered their resignation from the Directorship of the Company effective from April 29, 2019 and consequently they also relinquished the positions in Stakeholders Relationship Committee also. Further, Mr. Jyotirindra Nath Dey, Independent Director also resigned from the Directorship of the Company effective from June 23, 2019 and consequently relinquished the membership of the Stakeholders Relationship Committee. Stakeholders Relationship Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Sangeeta Upadhyay as a Chairperson, Mrs. Smita Modi and Mr. Prem Prakash Agrawal as Members of the Stakeholders Relationship Committee.

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

NOMINATION AND REMUNERATION COMMITTEE

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

Names	Designation	Category
Mrs. Sangeeta Upadhyay	Chairperson	Independent
Mrs. Smita Modi	Member	Independent
Mr. Ashtbhuja Prasad Srivastava	Member	Independent

Mr. Sanchit Dubey and Mr. Piyush Kankrania, Independent Directors were holding the position of members of the Nomination and Remuneration Committee. Both the Directors have tendered their resignation from the Directorship of the Company effective from April 29, 2019 and consequently they also relinquished the positions in Stakeholders Relationship Committee also. Further, Mr. Jyotirindra Nath Dey, Independent Director also resigned from the Directorship of the Company effective from June 23, 2019 and consequently relinquished the Chairmanship of the Nomination and Remuneration Committee. Nomination and Remuneration Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Sangeeta Upadhyay as a Chairperson, Mrs. Smita Modi and Mr. Ashtbhuja Prasad Srivastava as Members of the Nomination and Remuneration Committee.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Names	Designation	Category
Mr. Prem Prakash Agrawal	Chairperson	Executive
Mr. Chandra Prakash Agrawal	Member	Executive
Mrs. Smita Modi	Member	Independent

Mr. Jyotirindra Nath Dey, Independent Director resigned from the Directorship of the Company effective from June 23, 2019 and consequently relinquished the Chairmanship of the Corporate Social Responsibility Committee. Corporate Social Responsibility Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Smita Modi as Member and Mr. Prem Prakash Agrawal as Chairperson of the Corporate Social Responsibility Committee.

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

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

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

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

In accordance with Section 136 of the Act, the financial statements of the Associate Companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Any member desirous of obtaining

a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.gallantt.com.

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

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

Sl. No.	Name	Status	Date
1	Antarmukh Steel Manufacturer Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	31.10.2018
2	Bhavika Smeltors and Food Products Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	31.10.2018
3	Shrinu Rolls and Milling Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	31.10.2018
4	Satlaj Rolls and Milling Private Limited	Ceases to be a Subsidiary of the Company consequent upon amalgamation with the Company.	31.10.2018

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

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

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

The details of establishment of the Vigil Mechanism Policy is displayed on the website of the Company www.gallantt.com under the link: https://www.gallantt.com/Investors Corner/ Gallantt Ispat Limited/ Whistle Blower Policy-w.e.f. 01.04.2019.

CORPORATE SOCIAL RESPONSIBILITY

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

Corporate Social Responsibility Committee of the Company is constituted of:

Mr. Prem Prakash Agrawal, Chairman,

Mr. Chandra Prakash Agrawal and

Mrs. Smita Modi

KEY MANAGERIAL PERSONNEL

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

Sl. No.	Name	Designation
1	Mr. Chandra Preakash Agrawal	Chairman and Managing Director
2	Mr. Prem Prakash Agrawal	Whole-time Director
3	Mr. Santosh Kumar Agrawal	Whole-time Director
4	Mr. Nitin Mahabir Prasad Kandoi	Whole-time Director
5	Mr. Mayank Agrawal	Chief Executive Director
6	Mr. Amit Jalan	Chief Financial Officer
7	Mr. Nitesh Kumar	Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Ind - AS on Consolidated Financial Statements read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2019 are provided in the Annual Report.

A statement containing the salient features of the

financial statements of each of the subsidiary and Associate Company in the prescribed Form AOC-1 is annexed **ANNEXURE-IX**.

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

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the financial year, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is part of the Annual Report and is attached as **ANNEXURE - X**.

EXTRACT OF ANNUAL RETURN

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

RISK MANAGEMENT

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

Key Risk	Impact to Gallantt Ispat Limited	Mitigation Plans
Commodity Price Risk	Risk of price Fluctuation on basic raw materials like Iron Ore, Coal, Chemicals, Scraps as well as finished goods used in the process of manufacturing.	The Company commands excellent business elationship with the business associates. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Impact on raw materials which are imported	We have internal procedure to mitigate the global adverse impact.
Interest Rate Risk	Any increase in interest rate can affect the finance cost	Any increase in interest rate can affect the finance cost. Dependence on debt is very minimum and we have surplus funds cushion to settle the entire debt in case the need arises. Further, the Company has repaid the Term Loan in full.
Foreign Exchange Risk	Your company does not have export sales. However, import raw materials from country outside India. Any volatility in the currency market can impact the overall profitability	The Company commands excellent business relationship with the sellers and suppliers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company.	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming five years.
Competition Risk	Your company is always exposed to competition Risk from Steel and Ago Manufacturers across the region. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company, quality, Cost, timely delivery and customer service.

Key Risk	Impact to Gallantt Ispat Limited	Mitigation Plans
Compliance Risk – Increasing regulatory requirements	Any default can attract penal provisions	By regularly monitoring and review of changes in regulatory framework. By monitoring of compliance through legal compliance Management tools and regular internal audit and secretarial audit.
Industrial Safety, Employee Health and Safety Risk	The Steel and Agro industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.

49. UNPAID AND UNCLAIMED AMOUNT OF DIVIDEND AND SHARE APPLICATION MONEY

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

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In ₹)
HDFC BANK LIMITED	2011-12	HDFC Bank Account No. 00142300002332	6,216.00
IDBI BANK LIMITED	2012-13	IDBI Bank Account No. 0135103000007344	17,723.50
IDBI BANK LIMITED	2013-14	IDBI Bank Account No. 0135103000007900	3,282.50
IDBI BANK LIMITED	2014-15	IDBI Bank Account No. 0135103000008587	40,627.00
ICICI BANK LIMITED	2015-16 (Interim)	ICICI Bank Account No. 001105026007	3,929.00
IDBI BANK LIMITED	2016-17	IDBI Bank Account No. 1526103000000347	12,765.50
IDBI BANK LIMITED	2017-18	IDBI Bank Account No. 1526103000000569	21,063.00
IDBI BANK LIMITED	2018-19 (Interim)	IDBI Bank Account No. 1526103000000666	23,761.75

Unpaid dividend amounts are not available for use by the Company. Unpaid and Unclaimed Dividend for the Financial Year 2010-11 of ₹ 13,111 due for refund was transferred to Investors' Education and Protection Fund on November 05, 2018. This Unclaimed Dividend remained unpaid for seven consecutive years. Unclaimed and unpaid amount of Dividend for the Financial Year 2011-12 to the tune of ₹ 6,216 are to be transferred to the Investors' Education and Protection Fund. Members who have not so far encashed their Divided Warrants for the financial years ended 31st March, 2012, 2013, 2014, 2015, 2016 (Interim), 2017, 2018 and 2019 (Interim) are requested to approach immediately the Registrars for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website www.gallantt.com and also uploaded on the website of IEPF viz. www.iepf.gov.in.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to IEPF:

As required under Section 124 of the Act, the Unclaimed Dividend amount aggregating to ₹ 13,111/- pertaining to the financial year ended on 31st March, 2011 lying with the Company for a period of seven years were transferred during the Financial Year 2018-19, to the Investor Education and Protection Fund established by the Central Government.

b) Transfer of shares to IEPF:

As required under Section 124 of the Companies Act, 2013, 6,050 Equity Shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

BOARD OF DIRECTORS AND SENIOR EXECUTIVE

The Board of Directors comprises of Eight Directors of which four are Independent. In terms Section 152 of the Companies Act, 2013, Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), liable to retire by rotation at the ensuing Annual General Meeting is eligible for re-election.

Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115), Mrs. Sangeeta Upadhyay (DIN: 06920195), Mrs. Smita Modi (DIN: 01141396) and Mr. Dindayal Jalan (DIN: 00006882) are Independent Directors of the Company.

Mr. Piyush Kaknrania (DIN: 05241962) and Mr. Sanchit Dubey (DIN: 08335705) have tendered their resignation

from the Directorship of the Company effective from April 29, 2019. Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director on the Board of the Company effective from April 29, 2019. Similarly, Mr. Jyotirindra Nath Dey (DIN: 00180925) has tendered his resignation from the Directorship of the Company effective from June 23, 2019. Further, at their meeting held on June 23, 2019, Board of Directors has appointed Mrs. Smita Modi (DIN: 01141396) and Mr. Dindayal Jalan (DIN: 00006882) as Additional Independent Directors on the Board of the Company.

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

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

Appointment of Additional Independent Directors shall be ratified and confirmed by the Shareholders at the ensuing Annual General Meeting of the Company.

Independent Directors are appointed for five consecutive years and are not liable to retire by rotation in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. Mr. Mayank Agrawal is a Chief Executive Officer of the Company as per the provisions of the Companies Act, 2013. Mr. Amit Jalan is Chief Financial Officer and is inter alia looking after the core finance function of the Company. Mr. Nitesh Kumar is working in the capacity of Company Secretary and Compliance Officer.

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

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

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

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

S.N.	Name of KMP	Designation of KMP
1.	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
2.	Mr. Santosh Kumar Agrawal	Director-Sales & Marketing (Whole-time Director)
3.	Mr. Prem Prakash Agrawal	Whole-time Director
4.	Mr. Nitin Mahavir Prasad Kandoi	Director-Plant Operation (Whole-time Director)
5.	Mr. Mayank Agrawal	Chief Executive Officer
6.	Mr. Amit Jalan	Chief Financial Officer
7.	Mr. Nitesh Kumar	Company Secretary

At their meeting held on March 30, 2019, Mr. Chandra Prakash Agrawal (effective from April 01, 2019), Mr. Santosh Kumar Agrawal (effective from July 10, 2019), Mr. Prem Prakash Agrawal (effective from April 01, 2019) and Mr. Nitin Mahavir Prasad Kandoi (effective from October 10, 2019), all being executive Directors have been reappointed for a period of five years subject to the approval of the shareholders of the Company. The said reappointment shall be approved by the Shareholders at the ensuing 15th Annual General Meeting of the Company.

TRANSFER TO RESERVES

Your Directors propose to transfer an amount of ₹ 31,314.63 Lacs standing in retained earnings including an amount of ₹ 12683.94 Lacs as net earnings for the period and it is to be transferred to the General Reserve.

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2019, being arm's length transactions have been reported in the financial statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company www.gallantt.com under the Investors Corner of Gallantt Ispat Limited.

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there

are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

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

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

AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES

At their meeting held on January 24, 2018, Board of Directors of the Company has approved the Scheme of Amalgamation of M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited with the Company. All the transferor Companies are Wholly Owned Subsidiaries of the Company. Hence, as per the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company has filed Scheme of Amalgamation with the Registrar of Companies, West Bengal and Office of the Official Liquidator, Calcutta High Court for their Observation on the same.

Vide its Letter bearing reference no. ROC/ LEGAL/233/2017/238 dated 25.04.2018, the office of Registrar of Companies, West Bengal has issued its observation with the following suggestions**:**

1. The share capital clause of the scheme shall include the class and category of company which enters into the scheme of amalgamation i.e. Holding and a Wholly Owned Subsidiary Companies.
2. The Scheme shall include the clause related to providing “transfer of charges”, “purchase of share held by the descending shareholders/debtors, creditors, “cancellation or extinguish of shares on demerger”, if applicable.
3. The Scheme shall include the clause related to providing Share Exchange Ratio between the Transferor Company and the Transferee Company, if applicable.
4. It appears that the transferee Company M/s. Gallantt Ispat Limited is a listed Company. Hence, necessary approval/suggestion as issued by the concerned regulatory authorities shall be made incorporated in the said Scheme. The Scheme may also include the Clause providing Compliance of Listing Regulation and SEBI Guidelines as applicable.
5. This Office has scrutinised the scheme of Amalgamation for its limited internal purpose / in-principle approval for deciding on the matter of Amalgamation of the transferors and transferee companies and it should not for any reason affects the interest of public.

   The said suggestions were duly incorporated in the Scheme of Amalgamation.

   Further, the Office of the Official Liquidator, High Court, Calcutta vide its letter bearing reference no. OL-Misc./Amalg/50/6266/G dated 13.02.2018 has given its Observation with following suggestions:
6. This Office has scrutinised the scheme of Amalgamation for its limited internal purpose / in-principle approval for deciding on the matter of Amalgamation of companies and it should not for any reason affects the interest of public.

   In accordance with the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company have convened and held meeting of Equity Shareholders and Creditors of the Company on June 25, 2018.

   Members and Creditors of the Company at their respective meetings held on June 25, 2018 have approved the Scheme of Amalgamation as above.

   Vide its Order dated October 31, 2018, Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited (all being Wholly Owned Subsidiaries of the Company) with the Company. Consequent upon amalgamation of these Wholly Owned Subsidiaries with the Company, these entities ceased to exist as Subsidiaries. Amalgamation Orders of Honorable Regional Director have been received on October 31, 2018 and the same were filed with the Registrar of Companies, West Bengal on November 08, 2018.

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

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

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

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

Name of the Company	GALLANTT ISPAT LIMITED
New Corporate Identification Number (CIN)	**L27109DL2005PLC350523**
Registered Office Address	**"GALLANTT HOUSE", I-7, Jungpura Extension, New Delhi, 110 014."**
Contact Person for Correspondence	Mr. Nitesh Kumar, Company Secretary and Compliance Office
Telefax No.	**011-41645392**
Email Id	nitesh@gallantt.com
Website	www.gallantt.com
Head Office Address	"GALLANTT LANDMARK", AD Tower Compound, Bank Road, Gorakhpur – 273001, U.P.

OUTLOOK AND EXPANSION

The recent trend in macro indicators clearly point towards improving fundamentals of the domestic economy.The Central Government has also shown its intent in furthering the reform momentum to revive investments and improve governance. The global commodity cycle is expected to be benign with consumption demand from the Chinese economy slowing down. Taking cues from the inflationary trend, the Reserve Bank of India has already eased the monetary cycle and is expected to bring out more interest rate cuts going forward. All this favorable factors coupled with some of the important developmental reforms that are being pursued by the Central Government like the tax reform and push for infrastructure spending will set the stage for further pick-up in economic activity in 2019-20. This should augur well for your Company's business across infrastructure.

Expansion Project:

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

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

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

Phase I Expansion:

Units	Unit	Existing Capacity	Proposed Addition in Capacity	Total Capacity After Addition
Captive Power	MW	53	2.5	55.5
DRI	MT	2,97,000	1,48,500	4,45,500
Steel Melt Shop	MT	3,30,000	1,65,000	4,95,000
Rolling Mill	MT	3,30,000	1,65,000	4,95,000
Pelletisation	MT		6,00,000	6,00,000

PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

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

DECLARATION OF INDEPENDENCE

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

AWARD AND RECOGNITIONS

During the year Company/Management has received following awards, accolades and reconciliation:

- The "Top Challengers Award 2018" by Construction World Magazine.
- 6th rank in Top 10 secondary steel producers in India by Steel Mint.
- Jagaran Group has placed as 'Gems of Purvanchal' in its Coffee Table Book.
- Udyami Samman 2018 by Sri Yogi Adityanath ji, Hon'ble Chief Minister, Uttar Pradesh
- Cover Story in Steel 360 Magazine in May 2018 edition.
- July/August, 2019 edition of Forbes Asia Magazine covered Gallantt Ispat Limited 200 Best under a Billion Companies.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2019 till the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company. However, after approval of the Scheme of Amalgamation as above all the assets and liabilities of the Transferor Companies shall be transferred to the Company.

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

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

GENERAL

a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and

b) Your Company does not have any ESOP scheme for its employees/Directors.

CHANGE IN SHARE CAPITAL

As stated hereinabove Company has concluded amalgamation of Four Wholly Owned Subsidiaries with the Company. As per the Scheme of Amalgamation as sanctioned by Honorable Regional Director (ER), Ministry of Corporate Affairs, Authorised Share Capital of Company was enhanced with the outstanding Authorised Share Capital of Transferor Companies. Post amalgamation total Authorised Share Capital of the Company stood at ₹ 49,88,50,000/- (Rupees Forty Nine Crores Eighty Eight Lacs Fifty Thousand only). Company has not allotted any fresh equity shares during the year. The Issued, Subscribed and Paid up Share Capital of the Company is ₹ 28,23,60,720/- (Rupees Twenty Eight Crores Twenty Three Lacs Sixty Thousand Seven Hundred and Twenty Only).

INTERNAL FINANCIAL CONTROLS

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

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorisation. There are well-laid manuals for such general or specific authorisation.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorisation. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.

4. The existing assets of the Company are verified/ checked at reasonable intervals and appropriate action is taken with respect to any differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

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

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

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

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

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

FRAUD REPORTING

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

ENVIRONMENT AND SAFETY

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

TRANSFER OF SHARES COMPULSORILY IN DEMAT MODE

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

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

GALLANTT ISPAT LIMITED **Regd-Office Address:** "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014. **Telefax**: 011-41645392 **Email-Id** :nitesh@gallantt.com **Website** :www.gallantt.com	**Registrar & Share Transfer Agent** Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. **Tel**.: (033) 2280 6616 / 17 / 18 **Email id**: nichetechpl@nichetechpl.com **Website**: www.nichetechpl.com

SPLIT OF SHARES FROM FACE VALUE OF ₹ 10/- EACH TO FACE VALUE OF RE. 1/- EACH

In order to improve the liquidity of your Company's Equity Shares in the Stock Markets with higher floating stock in absolute numbers and to make them more affordable for the small retail investors to invest in the Company, Board of Directors of the Company at their meeting held on June 29, 2018 has proposed split of Shares of the Company from Face Value of ₹ 10/- each to Face Value of Re. 1/- each. At their meeting held on July 27, 2018 the shareholders of the Company through passed special resolution approved the proposal of the Board for the said split of Shares.

Company has fixed August 08, 2018 as the Record Date / Cut Off Date for determining the eligibility of shareholders to whom shares has been credited after split of shares in the ratio of 10:1 meaning thereby that shareholders holding shares as on cut off date credited 10 (ten) equity shares for every 1 (one) share held in the Company as on cut off date.

Old ISIN of the Company has been deactivated and in place new ISIN: INE528K01029 was activated by the depositories for the equity shares of the Company.

Shares have been successfully credited into the demat accounts of shareholders holding shares as on cut off date as above and shareholders holding shares in physical form were given fresh share certificates with new distinctive numbers.

ALTERATION OF 'CAPITAL CLAUSE' OF MEMORANDUM OF ASSOCIATION

Pursuant to the sub-division of face value of equity

shares of the Company has altered the Capital Clause (Clause V) of the Memorandum of Association of the Company and Clause V of Memorandum of Association was altered and substituted with the a new Clause V to reflect the corresponding changes in the Authorised Share Capital.

Shareholders of the Company have approved such alteration in the Capital Clause of Memorandum of Association at their Extra-ordinary General Meeting held on July 27, 2018.

Post Split of Equity Shares as above face value of Equity Share is Re. 1/- each fully paid up.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Procedure for Nomination and Appointment of Directors:

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

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

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

EMPLOYEES WELFARE

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

CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER DISCLOSURES

- The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies;
- None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- In the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

ACKNOWLEDGEMENT

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

We also thank the Government of India, Government of Uttar Pradesh and all Other Government Agencies for their support during the year and look forward to the same in the future.

On behalf of the Board

Date: August 13, 2019
Place: Gorakhpur

C. P. Agrawal
Chairman

ANNEXURE - I to the Directors Report

DIVIDEND DISTRIBUTION POLICY

1. Statutory Mandate

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

2. Background

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

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

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

3. Policy

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

4. Dividend

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

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

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

i) Company's need of Capital Expenditures/ Investment;

ii) Cash Flow position.

Given that profits can be volatile, the Board will Endeavour to achieve stability, to the extenfeasible, in the quantum of Dividend paid to Shareholders. Should the current year's profit be inadequate, the Board may, after considering the Carried Forward Balance in the Profit & Loss Account of the Company, declare dividend or declare dividend out of Reserves, as is permitted under the law.

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

i) Current year's profit –

a) after providing for depreciation in accordance with Sub-section (2) of Section 123 of the Companies Act, 2013 ("Act") and

b) after transfer of such percentage of its profits for that Financial Year to reserves as may be required under the law and as the Board of Directors may deem fit; OR

ii) Carried Forward Balance in the Profit & Loss Account; OR

iii) Free Reserve as may be permitted under law; OR

iv) A combination of (i), (ii) and (iii) above.

5. Factors to be considered for declaration of Dividend

i) Capital Expenditure /Investment requirement of the Company for:

a) New projects;

b) Ongoing projects including expansion, renovation or modernisation etc.

c) Acquisition of major fixed assets including land and buildings;

d) Acquisition of any business entity etc.

ii) Payment of any major liability;

iii) Any other requirements for fund conservation;

iv) Agreement with lending institutions.

6. Revision in the Policy

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

7. General

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

ANNEXURE - II to the Directors Report

A. CONSERVATION OF ENERGY

(a) **Energy Conservation Measures Taken**

Steps taken for conservation of energy:

Your Company is continually taking necessary steps to absorb and adopt the latest technologies. These initiatives enable the facilities to become more efficient and productive as the company expands, thereby helps in energy conservation. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy Conservation continues to receive increased emphasis at all the units of the Company. Your Company's technical team monitors closely and vigorously various plants and equipments and suggests adoption of new and latest technology etc. and discuss to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving the efficiency of generation and also in the reduction in energy consumption. Additionally, constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings to transpire going forward.

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

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

FORM –A

Disclosure of Particulars with respect to conservation of energy

Particulars	2018-19	2017-18
A. Power & Fuel Consumption		
1 Electricity		
(a) Purchased		
Total Unit in Lacs KWH	**130.90**	370.25
Amount ₹ in Lacs	**1,176.52**	2,711.72
Rate Per Unit (₹)	**8.99**	7.32
(b) Own Generation		
Total Units in Lacs KWH	**2,670.66**	1,283.82
Amount ₹ In Lacs	**19,961.21**	8,342.62
Rate per Unit	**7.47**	6.50
2. Coal		
Quantity- M.T.	**3,40,512.23**	2,05,667.94
Total Cost- ₹ in Lacs	**27,566.19**	15,702.25
Average rate-₹ per M.T.	**8,095.51**	7,634.76
3. Furnace Oil		
Quantity (K. Ltrs.)	**-**	50.00
Total Cost (₹ Lacs)	**-**	16.68
Average Rate (₹ / K. Ltrs.)	**-**	33,366.48
B. Consumption per unit of production		
1. Electricity (Unit/M.T.)		
Agro	**84.01**	95.90
Sponge Iron	**61.34**	71.32
SMS (Furnace and Concast)	**777.20**	845.82
Rolling Mills	**112.52**	135.97

Particulars	2018-19	2017-18
2. Coal		
Power Plant (per 1000 KWH)	**404.03**	404.15
Rolling Mills (Kg/M.T.)	**18.90**	24.32
Sponge Iron (Kg/M.T.)	**865.79**	915.69

FORM –B

Disclosure of Particulars with respect to technology absorption

RESEARCH & DEVELOPMENT (R & D)

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation etc.
- Absorbing and adapting latest technology in maintenance system.
- Technical Interaction with expert.
- Continuous efforts are being made towards improvements in existing production process.

2. Benefits derived as a result of the above efforts
- Improvement in quality of products.
- Cost reduction
- Improvement in the existing process and productivity.
- Knowledge of updated technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiative taken to increase exports, development of new export markets for products and export plans - Nil

2. Total foreign exchange used and earned

	2018-2019 (₹ in Lacs)	2017-2018 (₹ in Lacs)
Raw Materials	17,033.09	2,792.76
Stores, Chemical and Packaging Materials	70.21	13.33
Capital Goods	79.06	13.10
Earning in foreign currency	-	-

ANNEXURE - III to the Directors Report

MANAGERIAL REMUNERATION

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

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

Name	Designation	Ratio to median remuneration of employees
Chandra Prakash Agrawal	Chairman & Managing Director	18.86 : 1
Prem Prakash Agrawal	Whole-time Director	18.86 : 1
Santosh Kumar Agrawal	Director (Sales & Marketing)	18.86 : 1
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	18.86 : 1
Jyotirindra Nath Dey	Independent Director	**N.A.***
Sanchit Dubey	Independent Director	**N.A.***
Piyush Kankrania	Independent Director	**N.A.***
Sangeeta Upadhyay	Independent Director	**N.A.***

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

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

Name	Designation	% increase
Chandra Prakash Agrawal	Chairman & Managing Director	**14.29**
Prem Prakash Agrawal	Whole-time Director	**0.00%**
Santosh Kumar Agrawal	Director (Sales & Marketing)	**14.29%**
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	**14.29%**
Jyotirindra Nath Dey	Independent Director	**N.A.***
Sanchit Dubey	Independent Director	**N.A.***
Piyush Kankrania	Independent Director	**N.A.***
Sangeeta Upadhyay	Independent Director	**N.A.***
Mayank Agrawal	Chief Executive Officer	**25.00%**
Amit Jalan	Chief Financial Officer	**8.36%**
Nitesh Kumar	Company Secretary	**50.00%**

(c) percentage increase in the median remuneration of employees in the financial year: -34.51%

(d) number of permanent employees on the rolls of company; 1362

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

The profit before tax for the financial year ended March 31, 2019 increased by 148.90% and the profit after tax for the financial year ended March 31, 2019 increased by 142.87%, whereas the increase in median remuneration is -34.51%.

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

The total remuneration of KMP increased by 15.61%, whereas the profit before tax increased by 148.90% and the profit after tax increased by 142.87%.

(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: -28.59% (non-Managerial personnel) and 14.26% (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	**14.29%**	The profit before tax for the financial year ended March 31, 2019 increased by 148.90% and the profit after tax for the financial year ended March 31, 2019 increased by 142.87%.
Prem Prakash Agrawal	Whole-time Director	**0.00%**	
Santosh Kumar Agrawal	Director (Sales & Marketing)	**14.29%**	
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	**14.29%**	
Mayank Agrawal	Chief Executive Officer	**25.00%**	
Amit Jalan	Chief Financial Officer	**8.36%**	
Nitesh Kumar	Company Secretary	**50.00%**	

(i) the key parameters for any variable component of remuneration availed by the directors; Company's financial results, the performance of the business unit, individual performance, skills and competence, fulfillment of various improvement targets or the attainment of certain financial objectives.

(j) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; NIL

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

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

ANNEXURE - III to the Directors Report

Sr.	Employee Name	Father Name	D.O.B	Age	Educational Qualification	Date of Joining	Salary	Last Employment	Desgination	Deptarment	Relaiton with Directors	Experince
1	SANJAY SHARMA	SI RAM CHANDRA SHARMA	15/08/1969	50	B.E	20/04/2010	11,04,583	ITC RAIPUR	GM ELECTRIAL	SPONGE IRON	No	26
2	KRISHNA KANT GUPTA	CHOTE LAL GUPTA	01/07/1969	50	B.SC	06/11/2013	11,11,503	ABHIJEET PROP LTD	MANAGER LAB	POWER PLANT	No	21
3	PARASHURAM SHUKLA	RAMJI SHUKLA	03/05/1960	59	B.SC	03/09/2018	11,40,558	ANJANI STEEL RAIGARH	GENRAL MANAGER FURNACE	STEEL MELT SHOP	No	35
4	BHASKAR TIWARI	LATE MAHENDRANATH TIWARI	31/03/1969	50	M.SC	20/06/2015	12,48,857	API POWERTECH RAIPUR	GENRAL MANAGER HR	HR	No	27
5	AMIT KUMAR NANDA	GAURISHANKAR NANDA	18/05/1985	34	B.TECH	23/11/2017	12,53,023	ELECTROTHERM INDIA LTD GUJRAT	GENRAL MANAGER PROCESS	SPONGE IRON	No	15
6	UMESH RAI	CHANDU RAI	10/10/1973	46	10TH	10/05/2017	12,59,444	BHARAT STEEL MUZAFFARNAGAR	FOREMAN	ROLLING MILL	No	25
7	RAMARAO BALASAHEB	BALASAHEB KULKURANI	02/10/1971	48	AMIE- MECH, BOE	31/03/2018	12,86,173	KSK ENERGY,WARDHA	GENRAL MANAGER	POWER PLANT	No	25
8	ROHIT SARASWAT	SRI RADHE SHYAM	19/06/1984	34	MBA	24/05/2012	14,90,650	REILANCE CAPITAL INDIA	GM COMMERCIAL	PURCHASE	No	11
9	MAYANK AGRAWAL	SRI C.P.AGRAWAL	20/07/1984	35	BBA	01/05/2009	15,00,000	GOVIND MILL LTD	CEO	ADMIN	Son of CMD	11
10	NITESH KUMAR	SRI ARJUN RAM	04/07/1978	41	B.COM(H) & COMPANY SECRETARY	11/08/2008	18,00,000	GREENPLY INDUSTRIES LTD	Management Trainee	COMPLIANCE	No	15

ANNEXURE - IV to the Directors Report

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

₹ In Lacs

Sl. No.	Particulars	Loans	Investments	Guarantee
1	Loan to Gallantt Metal Limited	750.00	NIL	NIL

ANNEXURE - V to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forming part of the Report of the Directors for the year ended 31st March, 2019.

ECONOMY OVERVIEW AND DEVELOPMENT

Growth in global trade volumes is likely to slow down to 2.6 per cent in 2019 compared to 3 per cent in 2018, due to rising trade tensions between major economic powers and increased economic uncertainty However, emerging market and developing economies (EMDEs) growth remains constrained by subdued investment. Risks are firmly on the downside, in part reflecting the possibility of a further escalation of trade tensions. It is urgent for emerging market and developing economies (EMDEs) to reinforce policy buffers and to implement reforms that boost growth prospects.

World GDP growth is expected to decline from 2.9 per cent in 2018 to 2.6 per cent in both 2019 and 2020. Trade growth in 2018 was weighed down by several factors, including new tariffs and retaliatory measures affecting widely traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries, among others," the report stated. Trade growth in 2020 is expected to outpace GDP growth due to faster growth in developing economies.

With trade tensions running high, no one should be surprised by this outlook, said WTO Director-General. "Trade cannot play its full role in driving growth when we see such high levels of uncertainty. It is increasingly urgent that we resolve tensions and focus on charting a positive path forward for global trade which responds to the real challenges in today's economy — such as the technological revolution and the imperative of creating jobs and boosting development."

The value of merchandise trade was up 10 per cent to $19.48 trillion in 2018, partly due to higher energy prices. The value of commercial services trade rose 8 per cent to $5.80 trillion in 2018, driven by strong import growth in Asia.

The US and China have been engaged in a trade war over the past year, imposing retaliatory duties on imports sourced from each other. Several other countries, too, have become increasingly protectionist, introducing a number of tariff and non-tariff barriers on imports.

A few major geopolitical and economic events are expected to have an impact on the economic performance of countries and companies. As a result, it is important for many global organizations to track these events, as they are key steps in the planning process to get insulated from any kind of uncertainty arising during the year. Some events among those are as follows:

- Trade war among major economies: The uncertain terms of the trade war between China and the US are expected to be resolved as the negotiation period between them comes to an end in March 2019.
- Brexit uncertainty: In the UK, a high level of uncertainty is expected to persist as the Brexit Day (March 29, 2019) draws nearer; the government has failed to strike a deal with the European Union and in an extreme scenario, the country might have a second referendum.
- Elections in major economies: High risk political events such as elections in India, Indonesia, Thailand and Australia are also expected to have substantial effects in their respective countries.
- Policy rate decision of major central banks: On the economic front, decisions of major central banks (Fed and ECB) are set to play a crucial role in global prosperity, as they are expected to continue the tightening of monetary policy. The Fed is expected to hike rates twice in 2019 and the possible market repercussions are major causes for concern in 2019.

Major oil exporting countries, such as Saudi Arabia and Russia, will be top influencers on the global political and economic dynamics in 2019.

Overall, many high-risk events are scheduled to take place in 2019 and thus, shape the economic and political scenario for years to come and need to be carefully observed as a result.

INDIAN ECONOMY

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's GDP is expected to grow at 7.3 per cent in the fiscal year 2018-19, and 7.5 per cent in the following two years, India's growth accelerated to an estimated 7.3 per cent in FY 2018-19 (April to March) as economic activity continued to recover with strong domestic demand. While investment continued to strengthen amid the GST harmonisation and a rebound of credit growth, consumption remained the Strong domestic demand is envisioned to widen the current account deficit to 2.6 per cent of GDP next year. Inflation is projected to rise somewhat above the midpoint of the Reserve Bank of India's target range of 2 to 6 per cent,

mainly owing to energy and food prices.

It said in India the recent introduction of the GST and steps toward demonetisation are expected to Refraining from commenting on the economic performance of the NDA Government that too in an election year, growth performance of India as compared to other India's growth performance has been quite impressive. Year after year it has delivered strong numbers around its potential growth.

India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study. India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019.

Recent Developments

With the improvement in the economic scenario, there have been various investments in various sectors of the economy. The M&A activity in India reached record US$ 129.4 billion in 2018 while private equity (PE) and venture capital (VC) investments reached US$ 20.5 billion. Some of the important recent developments in Indian economy are as follows:

During 2018-19 (up to February 2019), merchandise exports from India have increased 8.85 per cent year-on-year to US$ 298.47 billion, while services exports have grown 8.54 per cent year-on-year to US$ 185.51 billion.

Nikkei India Manufacturing Purchasing Managers' Index (PMI) reached a 14-month high in February 2019 and stood at 54.3.

Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US$ 154.69 billion) as of February 2019.

Proceeds through Initial Public Offers (IPO) in India reached US$ 5.5 billion in 2018 and US$ 0.9 billion in Q1 2018-19.

India's Foreign Direct Investment (FDI) equity inflows reached US$ 409.15 billion between April 2000 and December 2018, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading and automobiles.

India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).

Consumer Price Index (CPI) inflation stood at 2.57 per cent in February 2019.

Net employment generation in the country reached a 17-month high in January 2019.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Steel Industry

Global steel demand continues to grow in slowing economic environment. Commenting on the outlook, Mr Al Remeithi, Chairman of the world steel Economics Committee said, "In 2019 and 2020, global steel demand is expected to continue to grow, but growth rates will moderate in tandem with a slowing global economy. Uncertainty over the trade environment and volatility in the financial markets have not yet subsided and could pose downside risks to this forecast."

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

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

In 2018, global steel demand increased by 2.1% (after adjusting for China induction furnace closures – see note in October 2018 Short Range Outlook), growing slightly slower than in 2017. In 2019 and 2020 growth is still expected, but in a less favourable economic environment. China's deceleration, a slowing global economy, and uncertainty surrounding trade policies and the political situation in many regions suggest a possible moderation in business confidence and investment.

Steel demand in the developed economies grew by 1.8% in 2018 following a resilient 3.1% growth in 2017. We expect demand to further decelerate to 0.3% in 2019 and 0.7% in 2020, reflecting a deteriorating trade environment.

In 2017-18, steel demand in the US benefitted from the strong growth of the economy driven by government-led fiscal stimulus, leading to high confidence and a robust job market. In 2019, the US growth pattern is expected to slow with the waning effect of fiscal stimulus and a monetary policy normalisation. Therefore, both construction and manufacturing growth is expected to moderate. Investment in oil and gas exploration is expected to decelerate as well, while a boost in infrastructure spending is not expected.

The EU economies also face the deteriorating trade environment and uncertainty over Brexit. We expect slower growth in demand for steel in the major EU

economies (especially in those more export dependent) in 2019. Steel demand growth is expected to improve in 2020, dependent on a reduction in trade tensions.

Japan recorded growth in steel demand in 2018, supported by a favourable investment environment and continued construction activities as well as a boost in consumer spending prior to the consumption tax increase. In 2019 and 2020, steel demand is likely to contract slightly due to a moderation of construction activities and decelerating exports despite the support provided by public projects.

Steel demand in Korea has been contracting since 2017 due to reduced demand from two major steel using sectors, shipbuilding and automotive. Steel demand is expected to continue declining in 2019 due to toughened real estate market measures and a deteriorating export environment. A mild recovery is expected in 2020.

Indian Steel Industry

India's steel demand is increasing every consecutive year and in 2019, it is being forecasted by world steel that it will overtake the United States in steel demand. "The demand will be supported by improving investment and infrastructure programmes. Stressed government finances and corporate debt weighs on the outlook," the body added in its report.

India's crude steel production grew 3.3% to 106.56 MnT in FY 2018-19, making it the world's second largest steel producer, behind China. Steel exports fell 26.4% to 8.54 MnT as global demand weakened due to geopolitical uncertainties and additional tariffs on imports by the US. Finished and semifinished steel imports rose by 4.6% to reach 8.79 MnT. The domestic market saw rising imports from China, Japan and Korea.

National Steel Policy 2017

The new Steel Policy enshrines the long term vision of the Government to give impetus to the steel sector. It seeks to enhance domestic steel consumption and ensure high quality steel production and create a technologically advanced and globally competitive steel industry.

Key features of the NSP 2017:

1. Create self-sufficiency in steel production by providing policy support & guidance to private manufacturers, MSME steel producers, CPSEs
2. Encourage adequate capacity additions,
3. Development of globally competitive steel manufacturing capabilities,
4. Cost-efficient production
5. Domestic availability of iron ore, coking coal & natural gas,
6. Facilitating foreign investment
7. Asset acquisitions of raw materials &
8. Enhancing the domestic steel demand.

The policy projects crude steel capacity of 300 million tonnes (MT), production of 255 MT and a robust finished steel per capita consumption of 158 Kgs by 2030 - 31, as against the current consumption of 61 Kgs. The policy also envisages to domestically meet the entire demand of high grade automotive steel, electrical steel, special steels and alloys for strategic applications and increase domestic availability of washed coking coal so as to reduce import dependence on coking coal from about 85% to around 65% by 2030-31.

Steel Industry

India is currently the world's fourth largest producer of crude steel (knocking to be the third largest by the year end) and is expected to become the second largest producer by 2020. India holds a fair advantage in cost of production and conversion costs in steel and alumina. Its strategic location enables convenient exports to develop as well as the fast-developing Asian markets.

ADVANTAGE IN INDIA

I. Demand Growth:

Power and Cement industries in India will aid the growth in the metals and mining sector. Increase in iron and steel demand will also benefit the sector.

II. Attractive Opportunities:

The Ministry of Steel, government of India aims to more than double the steel production capacity to 300 million tonnes by 2030-31, indicating new opportunities in the sector.

III. Policy Support:

100 % FDI allowed in the mining sector and exploration of metal and non-metal ores under the Automatic Route.

IV. Competitive Advantage:

India benefits from strategic location that enables convenient exports to developed as well as the fast-developing Asian markets. It also has a fair production and conversion cost advantage in steel and alumina.

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

Global steel demand grew by 2.1%* in CY 2018, largely driven by China, coupled with an investment-led recovery in the advanced economies. Global crude steel production reached 1,808.6 million tonnes (MnT) in CY 2018, up 4.6% from CY 2017 levels, pushing

capacity utilisation above 70%. Steel spreads were stronger in the first half of CY 2018, driven by strong economic activity and further supported by ongoing trade tensions between major economies.

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

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

Steel Segment products wise	Production (in MT)
Sponge Iron	2,62,747.64
Billets	2,88,283.73
M. S. Bar	2,61,055.10
Missrolled Bar	10,085.83

Agro Industry (Wheat Products)

Agriculture is the primary source of livelihood for about 58 per cent of India's population. Gross Value Added by agriculture, forestry and fishing is estimated at Rs 18.53 trillion (US$ 271.00 billion) in FY18.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food and grocery market is the world's sixth largest, with retail contributing 70 per cent of the sales. The Indian food processing industry accounts for 32 per cent of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. It contributes around 8.80 and 8.39 per cent of Gross Value Added (GVA) in Manufacturing and Agriculture respectively, 13 per cent of India's exports and six per cent of total industrial investment.

India has the 10th-largest arable land resources in the world. With 20 agri-climatic regions, all 15 major climates in the world exist in India. The country also possesses 46 of the 60 soil types in the world. India is the largest producer of spices, pulses, milk, tea, cashew and jute; and the second largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Further, India is second in global production of fruits and vegetables, and is the largest producer of mango and banana. During 2017-18 crop year, food grain production is estimated at record 284.83 million tonnes. In 2018-19, Government of India is targeting food grain production of 285.2 million tonnes. Production of horticulture crops is estimated at 306.82million tonnes (mt) in 2017-18 as per third advance estimates. India is among the 15 leading exporters of agricultural products in the world. Agricultural exports from India reached US$ 38.21 billion in FY18 and US$ 34.36 billion during Apr 2018-Feb 2019. Exports of ready to eat items from India reached US$ 689.80 million in FY18 and have reached US$ 545.21 million in FY19 (up to December 2018). The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US$ 60 billion by 2022. India was the ninth largest exporter of agricultural products in 2017.

India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to concerted efforts of scientists to get early-maturing varieties of pulses and the increase in minimum support price.

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

Agro Segment products wise	Production (in MT)
Maida (refined wheat flour)	2,62,747.64
Suji (Semolina)	2,88,283.73
Atta (Flour)	2,61,055.10
Choker (Wheat Bran)	10,085.83

The Company has produced 26,70,65,508 Units of Electricity during the year.

OPPORTUNITIES & THREATS

Opportunities

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

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

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

The Government's continued focus on infrastructure creation, manufacturing and rural development is expected to lead to an accelerated momentum in the investment cycle and steel demand. The main factors that lead to a significant increase in demand for steel

are new infrastructure developments and the growing needs of the increasing middle class in India specially in Uttar Pradesh, Bihar, Jharkhand and Delhi. The construction, automobile and manufacturing sectors will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel in the years to come. A competitive and efficient domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'. We are working towards building a sustainable steel business that can withstand all challenges – present and future. Hence, it is important that we continue to be on the lookout for opportunities to invest wisely and build an enviable portfolio of steel assets. As a measure sustainable growth our proposal of expansion of capacity of various plants are under installation and technical team of the Company is working on it. Steel industry is likely to benefit from the new GST rate for steel which is at 18%, with key inputs like coal, iron ore marked at 5%, which is the lowest slab under GST, could help to lower input costs. Together, with a substantial slash in transport costs due to unified and standard tax rate under GST, this is likely to help steel companies keep steel prices stable.

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

Threats and Risks

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

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

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

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

Major Product-wise Turnover

	FY 2018-19		FY 2017-18	
	Qty (MT/ Unit)	₹ in Lacs	Qty (MT)	₹ in Lacs
Agro (MT)	52,413.02	11,549.06	41,957	7,833.54
Steel (MT)*	2,71,140.93	1,10,599.97	1,45,619	49,807.41
Power (Unit)	26,70,65,508	19,961.21	12,83,31,911	8,342.62
Real Estate	-	778.04	-	1,047.28
Unallocable	-	204.50	-	152.89

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

OUTLOOK

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

The Indian economy is likely to sustain the rebound in FY 2018–19—growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy, and possibly the third-largest in 25 years.

Road Ahead

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY 27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen

infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

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

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

RISKS AND CONCERNS

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

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

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

Since steel and agro business is a highly competitive market, the Company is prone to risks from price sensitive markets, geographic dependencies and limited customer segments.

The Company tries to counter these risks by forging long term relationships with buyers of products of the Company that again results from meeting end users expectations consistently.

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

Exchange rate fluctuation is also an area of concern. Foreign currency – rupee depreciation against USD from Rs. 65 to Rs.74 during the year. Such volatility may increase the cost of the imported raw material and increase the dollar denominated borrowings.

Apart from the above, risk of high borrowing cost impacting the profitability, availability of infrastructure and logistics like various factors can affect movement of enhanced quantity of inbound raw material and outbound goods, Port congestion, unloading / loading infrastructure, rail connectivity and channel blockage.

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

Historically, steelmaking was a dangerous process and accidents were inevitable. Today, many steel companies recognise that this is no longer appropriate for a modern and technically advanced industry.

There is no area, process or type of work that cannot be accident-free. Safety and health requires a permanent 100% commitment from everyone. Most importantly, it requires a strong commitment from top management and all levels of management, which should set the culture in which safety and health is the number one priority and must not be compromised for any other objective.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has an adequate internal audit system that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The internal control systems have been designed in a way that they not only prevent fraud and misuse of company's resources but also protect shareholder's interest. The Audit committee of Board of Directors on regular intervals and in coordination with internal and statutory Auditors reviews the adequacy of internal control systems within the company.

The Company's Internal Financial Control framework is commensurate with the size and the nature of its operations. These have been designed to provide reasonable assurance about recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of Corporate Policies.

The Company has laid down procedures and policies to guide the operations of the business. The Company has a well-defined delegation of power with authority limits to approve revenue as well as expenditure. Unit/ functional heads are responsible to ensure compliance with the policies and procedures laid down by the management.

The Company has a proper and adequate system of

internal control.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Revenue from Operations for the current year is Rs. 1,22,927.06 Lacs as compared to Rs. 58,688.23 Lacs in the previous year. The Profit before Tax for the year under review is Rs. 16,631.38 Lacs as against Rs. 6,681.97 Lacs in the previous year. Profit after Tax during FY 2018-19 stood at Rs. 13,022.04 Lacs as against Rs. 5,361.80 Lacs in the previous year.

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

SEGMENT REVENUE (₹ In lacs)			
	2019	**2018**	**% Changes**
Agro	11,549.06	7,833.54	47.41
Steel	1,10,599.97	49,807.41	122.06
Power	19,961.21	8,342.62	139.27
Real Estate	778.04	1,047.28	(25.71)
Unallocated	204.50	152.89	33.76
SEGMENT RESULTS (Rs. In lacs)			
	2019	**2018**	**% Changes**
Agro	1,229.08	491.82	149.90
Steel	6,959.72	1,951.93	256.56
Power	7,762.60	4,306.78	80.24
Real Estate	660.11	903.58	(26.95)
Unallocated	-	-	-

Increase in the Turnover and Profitability is due to expansion of capacity of various palnts.

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

The manpower strength of the Company as on 31st March 2019 was 1006 permanent employees including Executive Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and other management staff across different locations. The Company continued to build capabilities for the workforce by adopting specific and targeted interventions for different categories of the workforce.

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

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

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

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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

Financial Ratio	**FY 18-19**	**FY 17-18**	**Change (%)**	**Reason for change**
Debtors Turnover	19.48	17.33	12.45	-
Inventory Turnover	8.01	5.48	46.23	Capacity expanded of various units and major turnover increased from the current fiscal.
Interest Coverage Ratio	18.18	8.80	106.72	Operating profit increased during the year due to capacity utilisation of expanded capacity and overall better performance of steel Industry.
Current Ratio	3.15	1.10	187.92	Due to amalgamation of wholly owned subsidiary and better profitability during the year, outside liabilities decreased significantly.
Debt Equity Ratio	0.37	1.19	-68.81	Due to amalgamation of wholly owned subsidiary the equity increased substantially
Operating Profit Margin (%)	13.19	12.59	4.82	-
Net Profit Margin (%)	10.58	9.11	16.06	-

Financial Ratio	FY 18-19	FY 17-18	Change (%)	Reason for change
Return on Net Worth	0.17	0.12	41.77	Operating profit increased during the year due to capacity utilisation of expanded capacity and over all performance of steel Industry.

CAUTIONERY STATEMENT

Information set forth in this MD & A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as “anticipate”, “believe”, “plan”, “estimate”, “expect”, and “intend”, statements that an action or event “may”, “might”, “could”, “should”, or “will” be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the timing and completion of the arrangement are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company assures no responsibility to publicly modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

On behalf of the Board

Date: August 13, 2019
Place: Gorakhpur

C. P. Agrawal
Chairman

ANNEXURE - VI to the Directors Report

Corporate Social Responsibility Policy

[PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013]

CONCEPT & CONTEXT

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

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

CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

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

OBJECTIVES OF THE POLICY

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

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

DEFINITIONS

Act means the Companies Act, 2013;

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

Ministry means the Ministry of Corporate Affairs;

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

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

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

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

LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

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

The activities involve the following:

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

and measures for reducing inequalities faced by socially and economically backward groups;

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

AREA OF ACTIVITY

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

FUNDING AND QUANTUM OF AMOUNT FOR CSR

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

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

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

THE PROCESS TO MONITOR SUCH PROJECTS OR PROGRAMS

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

The CSR Committee shall recommend from time to time the amount of expenditure to be incurred on the activities referred to hereinabove and to monitor the Corporate Social Responsibility Policy of the company from time to time.

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

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

Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.

The CSR Committee and persons / entities authorised by it will conduct the due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

THE PROCEDURES

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

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

2. Annexure VIII contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.

3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

PLANNING AND IMPLEMENTATION

- For the purpose of focusing its efforts in a continued and effective way, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.
- A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
- Identification of projects and the executing agency/ NGO will be made, inter alia, by assessing the following:
    1. Project Objectives
    2. Baseline Survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
    3. Implementation Schedules – Timelines for milestones of the project will need to be prescribed and agreed upon.
    4. Responsibilities and authorities.
    5. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.
- If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
    a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided to it;
    b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
- The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner(s)'.
- Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
- Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.
- CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and / or through CSR Partner(s).
- While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
    i. The CSR Partner(s) has a permanent office/ address in India;
    ii. The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programmes or projects in pursuance with the relevant regulations;
    iii. Possesses a valid income-tax Exemption Certificate
    iv. The antecedents of the CSR Partner are verifiable
    v. Have requisite framework to report progress/ status of the projects on a quarterly basis on agreed parameters.
    vi. Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with GIL as agreed mutually.

REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress

update to the Board of Directors every six months / such other intervals as deemed fit.

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

AMENDMENTS TO THE POLICY

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

ANNEXURE - VII to the Directors Report

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available in this Annual Report being part of Directors' Report and is also available at website www.gallantt.com

   The focus areas of CSR Policy are as follows

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

   1. Promoting education including special education especially among children, women, elderly and the differently abled and livelihood enhancement projects in backward areas;

   2. Promoting health care including preventive health care and sanitation and making available safe drinking water;

2. Composition of the CSR Committee: Mr. Prem Prakash Agrawal, Chairman, Mr. Chandra Prakash Agrawal and Mrs. Smita Modi
3. Average net profit of the Company for the last three financial years: ₹ 4,854.61 Lacs.
4. Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 97.09 lacs.
5. Details of CSR spent during the financial year.

   a) Total amount to be spent for the financial year: ₹ 100.00 Lacs

   b) Amount unspent, if any,: NIL

   c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2.Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	The company is promoting education for economically weaker section of the society through GYAN VED FOUNDATION (CHARITABLE SOCIETY)	Promoting Education etc.	Programme is undertaken in the backward area of state of Assam through local Trust/Society.	An amount of Rs. 100.00 Lacs has been paid for the programme and the CSR Committee of the Company is monitoring the actual expenditure and surplus, if any.	₹ 100.00*	₹ 309.00 Lacs*	Amount has been contributed to the following implementing agency: GYAN VED FOUNDATION (CHARITABLE SOCIETY) for the Financial Year 2018-19. KC Agencies Building, RKB Path, Dibrugarh – 786001. Assam.

- This cumulative expenditure of ₹ 309 Lakh includes contribution of ₹ 100.00 Lakh on CSR activities during last financial year 2018-19.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount. : Company has contributed the amount for the project but the amount is being spent by the Trust. However, the CSR Committee is monitoring the entire process.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For CSR Committee, GALLANTT ISPAT LIMITED

Prem Prakash Agrawal

Chairman of CSR Committee & Director

(DIN: 00180925)

Place: Gorakhpur

Date: 13.08.2019

ANNEXURE - VIII to the Directors Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To
The Members,
GALLANTT ISPAT LIMITED,
I-7, Jangpura Extension,
New Delhi – 110014

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gallantt Ispat Limited [CIN: L27109DL2005PLC350523] (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2019, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2019 according to the applicable provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Applicable provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder.

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

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company has not issued any debt securities during the financial year under review;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued.

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock

exchange during the financial year under review; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

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

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

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

(a) Mines and Minerals (Development Regulation) Act, 1957 and other Acts/Rules as applicable to Mining activities;

(b) The Electricity Act, 2003 and rules issued thereunder;

(c) National Tariff Policy;

(d) Indian Boilers Act. 1923 and rules issued thereunder;

(e) Explosives Act, 1884 and rules issued thereunder;

(f) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;

(g) Applicable Labour laws and rules issued thereunder;

(h) Applicable Environment laws and rules issued thereunder;

(i) Applicable direct & indirect tax laws and rules issued thereunder;

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited pursuant to the The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

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

i. Public/Right/Preferential issue of shares / debentures/sweat equity;

ii. Redemption / buy-back of securities;

iii. Foreign technical collaborations.

We further report that during the audit period:

i. During the year Company has acquired Four Wholly Owned Subsidiaries viz. M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited. Vide its Order dated October 31, 2018, Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited (all being Wholly Owned Subsidiaries of the Company) with the Company. Since, entire shareholding of these four Wholly Owned Subsidiaries was held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director-ER) the Authorised Share Capital of these Wholly Owned Subsidiaries clubbed/merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at Rs. 49,88,50,000/-

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

The Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. The Company has filed E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company from 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700 069 (from the jurisdiction of Registrar of Companies, West Bengal) to "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014 (to the jurisdiction of Registrar of Companies, Delhi and Haryana).

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

- Amalgamation of Wholly Owned Subsidiaries with the Company (Date of EGM: 15.06.2018).
- Split of Shares from face value of Rs. 10/- each to face value of Re. 1/- each (Date of EGM: 27.07.2018) and alteration in the Capital Clause (Clause V) of the Memorandum of Association of the Company.
- Shifting of Registered Office from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana and alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.

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

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

Place: Gorakhpur
Date: 13.08.2019

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

Annexure A

To
The Members,
GALLANTT ISPAT LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/ Company Secretary/ Managing Director & CEO, and taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour Laws & Environment Laws.
8. We further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

   While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

Place: Gorakhpur
Date: 13.08.2019

ANNEXURE - IX to the Directors Report

FORM NO. AOC.1

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

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

Part "A": Subsidiaries

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

ANNEXURE - IX to the Directors Report (contd.)

Part "B": Associates and Joint Ventures

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

Name of Associate	
1. Latest audited Balance Sheet Date	31.03.2019
2. Shares of Associate held by the company on 31.03.2019	
No.	3,94,62,895
Amount of Investment in Associate	42,67,98,403
Extend of Holding %	48.53%
3. Description of how there is significant influence	By way of Ownership
4. Reason why the associate/joint venture is not consolidated	Consolidated
5. Networth attributable to Shareholding as per latest audited Balance Sheet	2,33,64,28,957
6. Profit / Loss for the year	69,23,20,297
i. Considered in Consolidation	33,59,58,957
i. Not Considered in Consolidation	35,63,61,340

As per our report of even date
For ANOOP AGARWAL & CO.
Chartered Accountants
FRN. 001739C

(C.P. Agrawal) Chairman & Managing Director
(S.K. Agrawal) Whole time Director

(Amit Kumar Srivastava)
Partner
Place : Kolkata
Membership No. 517195
Date - August 13, 2019

(Amit Jalan) Chief Financial officer
(Nitesh Kumar) Company Secretary

(₹ in Lacs)

ANNEXURE - X to the Directors Report

BUSINESS RESPONSIBILITY STATEMENT

(Part of the Directors Report) Annual Report 2018-19

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L27109DL2005PLC350523
2.	Name of the Company	GALLANTT ISPAT LIMITED
3.	Registered address	GALLANTT HOUSE', I-7, Jangpura Extension, New Delhi – 110014
4.	Website	www.gallantt.com
5.	E-mail id	nitesh@gallantt.com
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Steel, Power, Agro and Real Estate
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Steel, Power, Agro and Real Estate
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	Only one plant of Steel and Agro Unit is located at "Plot No. AL-5, Sector – 23, Gorakhpur Industrial Development Authority (GIDA), Sahjanwa, Gorakhpur, Uttar Pradesh". Registered Office at "GALLANTT HOUSE', I-7, Jangpura Extension, New Delhi – 110014. Also, Company has real estate project located at Mahanagar, Lucknow, Uttar Pradesh.
10.	Markets served by the Company – Local/State/ National/International	Local/State/National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital (INR)	28,23,60,720/-
Total Turnover (INR)	1,229,27,06,304/-
Total profit after taxes (INR)	130,22,04,489/-
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer annexure to the Board Report regarding CSR
List of activities in which expenditure in 4 above has been incurred.	Please refer annexure to the Board Report regarding CSR

SECTION C : OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes (amalgamated with the Company as on October 31, 2018)
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

DIN Number (if applicable)	Yes
Name	Chandra Prakash Agrawal
Designation	Managing Director
Telephone number	011-41645392
e-mail id	secretary@gallantt.com

ANNEXURE - X to the Directors Report

2. **Details of BR Head**

	DIN Number (if applicable)	Yes
	Name	Chandra Prakash Agrawal
	Designation	Managing Director
	Telephone number	011-41645392
	e-mail id	secretary@gallantt.com

2. **Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies (Reply in Y/N)**

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sl.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy/ policies for various principles.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.gallantt.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. **Governance related to BR**

- The Board of Directors of your Company, either directly or through its Committees, assesses various initiatives forming part of the BR performance of the Company on a periodic basis. The CSR Committee meets every quarter or on certain interval to review implementation of the projects/programmes/activities to be undertaken in the field of CSR. Other supporting functions/groups like Sustainability, meet on a periodic basis to assess the BR performance.

  Your Company publishes the information on BR which forms part of the Annual Report of the Company.The Annual Report is also uploaded on the website of the Company – www.gallantt.com

ANNEXURE - X to the Directors Report

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1

ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Ethics, transparency and accountability are the three basic pillars on which the compliance eco-system of your Company is built. The compliance management system has been designed in such a way that it not only helps adhere to the regulatory requirements but also develops a culture of self-regulation and accountability at the grass root level within the organization. In the present times when governance is looked upon as a critical aspect of sustainability, we believe, our compliance management systems play a significant role in ensuring good corporate governance. All internal stakeholders of the Gallantt Ispat Limited are subjected to work within boundaries of the Code of Conduct.

1. Under this principle, the Company has the following Policies:

a. **Whistle Blower Policy** – to provide an avenue for directors and employees to inform about any wrongdoing in the company and reassurance that they will be protected from reprisals or victimization for whistle blowing.

b. **Policy for Determining Materiality of Events and Information** - The objective of this Policy is: (a) to ensure disclosure of any event or information which, pursuant to SEBI regulations is material, (b) to determine whether an event or information is material or not, and (c) to ensure timely, accurate, uniform and transparent disclosure.

c. **Code of Conduct for Directors & Senior Management** – to ensure, inter-alia, protection of confidential information, preventing conflict of interest, ensuring that anti-bribery and corruption laws are complied with, and ensure compliance with all the applicable laws, regulations and Company's policies.

d. **Company's Code of Conduct on (prevention of) Insider Trading** – to prevent insider trading and protect of price sensitive information.

e. Policy on prevention of sexual harassment.

These policies cover the Company, subsidiaries.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

- The Company has in place different mechanisms for receiving and dealing with complaints from different stakeholders viz. shareholders, customers, employees, vendors etc. There are dedicated resources to respond to the complaints within a time bound manner. During the year, your Company received 1 (one) complaint from shareholders which has been resolved.

PRINCIPLE 2

PRODUCT LIFE CYCLE SUSTAINABILITY

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

   Our operations have carried out significant test work on the physical and chemical characteristics of their products to ensure their properties and potential impacts. Further, the Company ensures that all processes, plant, equipment, machinery and material provided at plant are safe to the people as well as environment. Your Company has been constantly improving its operational efficiencies for reducing the consumption of resources without compromising on the quality and quantity of its production. Your Company take initiatives to improve awareness about legal compliances, enhance ecofriendly efficiencies, packaging / logistics improvements at the suppliers end. Supplier and transporter meets are held on a periodical basis where your Company engages and encourages them to undertake sustainable practices across supply chain.

   We are conscious that extraction of natural resources gives rise to negative environmental impacts, from gas and particulate emissions and hazardous waste; to water extraction and landscape modification. To this end, we manage our footprint to the most stringent global standards throughout the project life cycle.

Our three major products are Sponge Iron, Re-Rolled Products and Agro Products. We make all efforts to ensure that we produce, in a safe and environmentally responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, improved water and energy consumption and reduced our tailings to optimally use available natural resources.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our product movements to consumers take place through rail and roadways. The environmental impacts like dust emission during transportation of coal, iron ore, lime etc., final products and road dust etc. have been identified. All safety and environmental protocols are followed and proper training is provided for handling. At material handling areas for coal and iron ore, new technologies are are installed with proper water sprinklers. Ore transport from the railways to the factory point is carried out through trucks with properly covered to ensure no spillage and dust generation.

The Company has adopted Green Logistics Process in the entire supply chain using re-useable trolleys, bins and pallets thereby significantly eliminating use of packaging materials.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company sources its major inputs like Iron Ore and Coal from large national and international manufacturers/ sellers. For Agro Division we procure inputs (Wheat etc.) from local market. Going forward, we will make further efforts to increase local sourcing. Our direct & indirect employment as also our CSR activities are largely focused on the communities surrounding our operations.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our primary activities are in the producing of steel and agro products as well as power generation using well-established processes and technologies. Our focus on best available technology helps us to produce these products using efficient energy consumption and maximum product output.

Our main priority is to reduce both the quantity and toxicity of our waste, followed by recovery, reuse and recycling. Waste heat of Sponge Iron plant is recycled to generate power. Waste of steel plants and residual files are sold and disposed in land filling. Furnace slag are sold to buyers, they use these in road construction, land leveling and in the abrasive and cement industries. Fly ash from our power plants was sent to nearby cement and brick manufacturing units together with land leveling. Wastage of Agro Products (Wheat) are sold to be used in feeding animals.

PRINCIPLE 3:

EMPLOYEE WELL-BEING

Our employees are our key asset and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses.

We are committed to providing our employees with a safe and healthy work Environment. Through a high degree of engagement and empowerment we enable them to realise their full potential, creating a high performance work culture

1.	Please indicate the Total number of employees.	1006
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	279
3.	Please indicate the Number of permanent women employees.	6 (included in above 1)
4.	Please indicate the Number of permanent employees with disabilities.	Nil

5.	Do you have an employee association that is recognized by management?	No
6.	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received in the last financial year.
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	 100% employees (In-house/on the Job Training) 100% employees (In-house/on the Job Training) 100% employees (In-house/on the Job Training) Not applicable

PRINCIPLE 4 :

STAKEHOLDER ENGAGEMENT

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. The Company has identified investors, shareholders, employees, labour unions, local communities, civil societies, NGOs, legal institutions, trade associations, media, suppliers, business partners, customers, dealers, government, regulators and competitors as its key stakeholder groups. Engagement responsibility for eachstakeholder group is entrusted with specific teams in the Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, Gallantt Ispat Limited has identified disadvantaged, vulnerable and marginalised stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable andmarginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company undertook activities to improve the lives of vulnerable stakeholder groups. Few such activities are listed below:

Stakeholder group	Description
Elderly	Health camps
Differently bled individuals	Providing children with special needs a platform to access community-based rehabilitation services • Counselling for families and parents • Camps for raising awareness
Tribal people	Health services to the weaker section of the society – Development oriented activities, with focused initiatives for women, children and marginal dairy farmers
Migrant workers	Awareness on health related issues and sanitation

Principle 5 :

Human Rights

***1*. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Gallantt Ispat Limited has zero tolerance for discrimination based on any grounds. All its business partners (Suppliers, Contractors, NGOs) are contractually obliged to respect human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Gallantt Ispat Limited has received no such complaint pertaining to sexual harassment during the reporting year 2018-19.

ANNEXURE - X to the Directors Report

Principle 6 : Environmental

1. **Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/Suppliers/ Contractors/ NGOs/ others?**

   The company does not have a specific environment policy. Many facets of respecting and protects environment are embedded in the company's operations as also its products. These have been covered above.

2. **Strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.**

   To minimise the environmental impacts of its products, the Company continuously improves products in terms of fuel efficiency, material use and recyclability.

3. **Potential environmental risks**

   Potential environmental risks are identified as a part of the Company's risk management identification process and this feature in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No such project.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Not undertaken.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, all emission/waste generated by the Company are within the permissible limits given by CPCB/SPCB in 2018-19.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   No show cause notices from SPCB or CPCB are pending as at end of the financial year 2018-19.

Principle 7: Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   Yes, Gallantt Ispat Limited is a member of 2 industrial and trade bodies. The Company is most actively engaged with the following :

   a. Chamber of Industries, Gorakhpur
   b. Indian Industries Association, Lucknow

2. **Advocating through above associations for the advancement or improvement of public goodYes, Gallantt Ispat Limited is actively involved in the following areas for advocating public good:**

   - Energy and Raw Material Security
   - Sustainable Business principles
   - Governance
   - Safety and Skill Development
   - Economic Reforms

PRINCIPLE 8 : BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Specified programmes/initiatives/projects in pursuit of the policy related to Principle 8.**

   The Company supports inclusive growth and equitable development through its Corporate Social Responsibility (CSR) programmes.

   The Company has aligned its CSR programmes with the requirements of the Companies Act 2013. The Company has set up a three members CSR Committee of the Board. The Company's CSR Policy has been approved by the CSR Committee and the Board. The CSR programmes are clearly mentioned in the CSR policy.

2. **The CSR programmes of the Company are overseen largely by NGOs. However, it is being planned to do the same by in-house teams and wherever need arise in future services of NGO partners and other agencies will be taken subject to their expertise.**

3. **The CSR programmes and their impacts/ outcomes are monitored and reviewed by the management periodically as also by the CSR committee of the Board.**

4. **Details on the Company's CSR programmes on community development have been shared in the Directors Report.**

   The Company is socially committed to focus these areas:

   a. Education
   b. Health, Nutrition and Sanitation
   c. Need Based Community Infrastructure Development

5. **Steps taken to ensure that this community development initiative is successfully adopted by the community**

   To ensure successful implementation of community development programmes in collaboration with community members, the Company adopts following approach :

   a. Rapport building with community leaders and opinion makers
   b. Project identification in association with community members
   c. Involvement of community members in project implementation
   d. Maintaining continuous and close interaction with community members through field teams

PRINCIPLE 9 : BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year**

   Effective redressal mechanism is in place for addressing customer complaints and handling consumer cases. This is periodically reviewed by management team as well. The number of such cases is insignificant in comparison to the number of customers in fold. No customer complaints are pending.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   The customers have access to the Company website which provides host of information on products.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?**

   No case has been filed by stakeholders against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behaviour during the last five years. Therefore, no such cases remain pending as on the end of the financial year 2018-19.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   Yes, the Company carries out customer satisfaction surveys to understand customer concerns and emerging trends. Gallantt Ispat Limited's sales team also interacts with specific customer groups like architects and auto companies, among others to address their specific needs.

On behalf of the Board

Place : Gorakhpur
Date : August 13, 2019

C. P. Agrawal
Chairman

ANNEXURE - XI to the Directors Report

FORM NO. MGT-9

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

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S.N.	CIN	L27109DL2005PLC350523
1	Registration Date	11/02/2015
2	Name of the Company	GALLANTT ISPAT LIMITED
3	Category /Sub-Category of the Company	Public Company limited by Shares/Indian Non-Government Company
4	Address	"GALLANTT HOUSE', I-7, Jangpura Extension, New Delhi – 110014. Telefax: 011-41645392
5	Whether listed Company	Yes
6	Name, Address and Contact details of Registrar and Transfer Agent, if any	Registrars & Share Transfer Agents Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata – 700017 West Bengal. **Tel**.: (033) 2280 6616 / 17 / 18 **Email id**: nichetechpl@nichetechpl.com **Website**: www.nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product /Services	NIC Code of the Product	% to total turnover of the Company
1.	Steel	2410	77.29
2.	Power	3510	13.95
3.	Agro	1061	8.07*

**less than 10%*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1.	Antarmukh Steel Manufacturer Private Limited*	U27100WB2010PTC144100	Holding	100	Section 2(87) of the Companies Act, 2013
2.	Bhavika Smeltors and Food Products Private Limited*	U27100WB2009PTC133963	Holding	100	Section 2(87) of the Companies Act
3.	Shrinu Rolls and Milling Private Limited*	U27100WB2009PTC132909	Holding	100	Section 2(87) of the Companies Act
4.	Satlaj Rolls and Milling Private Limited*	U27100WB2010PTC144257	Holding	100	Section 2(87) of the Companies Act
5.	Gallantt Metal Limited	L27109WB2005PLC101553	Associate	25.68	Section 2(6) of the Companies Act, 2013

* *amalgamated with the Company vide order of Honorable Regional Director (ER), Ministry of Corporate Affairs dated October 31, 2018.*

ANNEXURE - XI to the Directors Report

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

A. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
A.	**PROMOTERS**								
(1)	Indian								
	a) Individual / HUF	10845378	0	10845378	38.410	105635310	0	105635310	37.411
	b) Central Government								
	c) State Government								
	d) Bodies Corporate	7251992	0	7251992	25.683	72519920	0	72519920	25.683
	e) Banks / Financial Institutions								
	f) Any Other								
	Sub-total (A)(1)	18097370	0	18097370	64.093	178155230	0	178155230	63.095
(2)	Foreign								
	a) NRIs - Individuals								
	b) Other - Individuals								
	c) Bodies Corporate								
	d) Banks / Financial Institutions								
	e) Any Other								
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	18097370	0	18097370	64.093	178155230	0	178155230	63.095
B.	**PUBLIC SHAREHOLDING**								
(1)	Institutions								
	a) Mutual Funds								
	b) Banks / Financial Institutions								
	c) Central Governments								
	d) State Governments								
	e) Venture Capital Funds								
	f) Insurance Companies								
	g) Foreign Institutional Investors (FII)								
	h) Foreign Venture Capital Funds								
	i) Others (Specify)								
	FPI - Corporate Cat-II	103	0	103	0.000	1	0	1	0.000
	Sub-total (B)(1)	103	0	103	0.000	1	0	1	0.000
(2)	Non-Institutions								
	a) Bodies Corporate								
	i) Indian	9314346	0	9314346	32.987	96434343	0	96434343	34.153
	ii) Overseas								
	b) Individuals								
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	440902	7	440909	1.562	4177379	60	4177439	1.479
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1	321336	0	321336	1.138	3009350	0	3009350	1.066
	c) Others Specify								
	1. NRI	9755	0	9755	0.035	74244	0	74244	0.026

ANNEXURE - XI to the Directors Report

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year			
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
	2. Overseas Corporate Bodies								
	3. Foreign Nationals								
	4. Clearing Members	52253	0	52253	0.185	504063	0	504063	0.179
	5. Trusts								
	6. Foreign Bodies - D.R.								
	7. IEPF Authority					6050	0	6050	0.002
	Sub-total (B)(2)	10138592	7	10138599	35.907	104205429	60	104205489	36.905
	Total Public Shareholding (B) = (B)(1)+(B)(2)	10138695	7	10138702	35.907	104205430	60	104205490	36.905
C.	**Shares held by Custodian for GDRs & ADRs**								
	GRAND TOTAL (A+B+C)	28236065	7	28236072	100.000	282360660	60	282360720	100.000

B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ASHUTOSH AGARWAL	262167	0.928	0.000	2621670	0.928	0.000	0.000
2	CHANDNI AGRAWAL	12083	0.043	0.000	120830	0.043	0.000	0.000
3	CHANDRA PRAKASH AGARWAL	5234004	18.537	0.000	52340040	18.537	0.000	0.000
4	CHANDRA PRAKASH AGRAWAL HUF	761250	2.696	0.000	5334930	1.889	0.000	-0.807
5	GALLANTT METAL LIMITED	7251992	25.683	0.000	72519920	25.683	0.000	0.000
6	MADHU AGARWAL	352145	1.247	0.000	3521450	1.247	0.000	0.000
7	MAYANK AGARWAL	692937	2.454	0.000	6929370	2.454	0.000	0.000
8	NITIN MAHAVIR KANDOI	47500	0.168	0.000	475000	0.168	0.000	0.000
9	PREM PRAKASH AGARWAL	314303	1.113	0.000	2592130	0.918	0.000	-0.195
10	PREM PRAKASH AGRAWAL HUF	596935	2.114	0.000	5969350	2.114	0.000	0.000
11	SANTOSH KUMAR AGARWAL	219708	0.778	0.000	2207080	0.782	0.000	0.004
12	SANTOSH KUMAR AGRAWAL HUF	596717	2.113	0.000	5967170	2.113	0.000	0.000
13	SHYAMA AGRAWAL	535303	1.896	0.000	5353030	1.896	0.000	0.000
14	SMRITI AGARWAL	80745	0.286	0.000	807450	0.286	0.000	0.000
15	UMA AGARWAL	1139581	4.036	0.000	11395810	4.036	0.000	0.000
	TOTAL	**18097370**	**64.093**	**0.000**	**178155230**	**63.095**	**0.000**	**-0.998**

C. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**ASHUTOSH AGARWAL**				
	a) At the Beginningof the Year	262167	0.928		
	b) Changes during the year				
	Date Reason				

ANNEXURE - XI to the Directors Report

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			2621670	0.928
	c) At the End of the Year			2621670	0.928
2	**CHANDNI AGRAWAL**				
	a) At the Beginningof the Year	12083	0.043		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			120830	0.043
	c) At the End of the Year			120830	0.043
3	**CHANDRA PRAKASH AGARWAL**				
	a) At the Beginningof the Year	5234004	18.537		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			52340040	18.537
	c) At the End of the Year			52340040	18.537
4	**CHANDRA PRAKASH AGRAWAL HUF**				
	a) At the Beginningof the Year	761250	2.696		
	b) Changes during the year				
	Date Reason				
	25/05/2018 Transfer	-129042	0.457	632208	2.239
	01/06/2018 Transfer	-98715	0.35	533493	1.889
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			5334930	1.889
	c) At the End of the Year			5334930	1.889
5	**GALLANTT METAL LIMITED**				
	a) At the Beginningof the Year	7251992	25.683		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			72519920	25.683
	c) At the End of the Year			72519920	25.683
6	**MADHU AGARWAL**				
	a) At the Beginningof the Year	352145	1.247		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			3521450	1.247
	c) At the End of the Year			3521450	1.247
7	**MAYANK AGARWAL**				
	a) At the Beginningof the Year	692937	2.454		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			6929370	2.454
	c) At the End of the Year			6929370	2.454
8	**NITIN MAHAVIR KANDOI**				
	a) At the Beginningof the Year	47500	0.168		

ANNEXURE - XI to the Directors Report

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			475000	0.168
	c) At the End of the Year			475000	0.168
9	**PREM PRAKASH AGARWAL**				
	a) At the Beginningof the Year	314303	1.113		
	b) Changes during the year				
	Date Reason				
	13/04/2018 Transfer	-7500	0.027	306803	1.087
	04/05/2018 Transfer	-47590	0.169	259213	0.918
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			2592130	0.918
	c) At the End of the Year			2592130	0.918
10	**PREM PRAKASH AGRAWAL HUF**				
	a) At the Beginningof the Year	596935	2.114		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			5969350	2.114
	c) At the End of the Year			5969350	2.114
11	**SANTOSH KUMAR AGARWAL**				
	a) At the Beginningof the Year	219708	0.778		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			2197080	0.778
	29/03/2019 Transfer	10000	0.004	2207080	0.782
	c) At the End of the Year			2207080	0.782
12	**SANTOSH KUMAR AGRAWAL HUF**				
	a) At the Beginningof the Year	596717	2.113		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			5967170	2.113
	c) At the End of the Year			5967170	2.113
13	**SHYAMA AGRAWAL**				
	a) At the Beginningof the Year	535303	1.896		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			5353030	1.896
	c) At the End of the Year			5353030	1.896
14	**SMRITI AGARWAL**				
	a) At the Beginningof the Year	80745	0.286		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			807450	0.286
	c) At the End of the Year			807450	0.286

ANNEXURE - XI to the Directors Report

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
15	**UMA AGARWAL**				
	a) At the Beginningof the Year	1139581	4.036		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			11395810	4.036
	c) At the End of the Year			11395810	4.036
	T O T A L	**18097370**	**64.093**	**178155230**	**63.095**

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**AAR COMMERCIAL COMPANY LIMITED**				
	a) At the Begining of the Year	3390526	12.008		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			33905260	12.008
	30/11/2018 Transfer	15843500	5.611	49748760	17.619
	c) At the End of the Year			49748760	17.619
2	**CAMELLIA TRADELINK PRIVATE LIMITED**				
	a) At the Begining of the Year	1584350	5.611		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			15843500	5.611
	30/11/2018 Transfer	-15843500	5.611	0	0.000
	c) At the End of the Year			0	0.000
3	**GLOBE CAPITAL MARKET LIMITED**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	18/01/2019 Transfer	198145	0.702	198145	0.702
	25/01/2019 Transfer	41855	0.015	240000	0.085
	c) At the End of the Year			240000	0.085
4	**GYAN MANDIR TRADECOM PRIVATE LIMITED**				
	a) At the Begining of the Year	618177	2.189		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			6181770	2.189
	08/03/2019 Transfer	-6181770	2.189	0	0.000
	c) At the End of the Year			0	0.000
5	**LALIT KUMAR BANSAL**				
	a) At the Begining of the Year	42129	0.149		

ANNEXURE - XI to the Directors Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	b) Changes during the year				
	Date Reason				
	06/04/2018 Transfer	7336	0.026	49465	0.175
	13/04/2018 Transfer	9535	0.034	59000	0.209
	20/04/2018 Transfer	3000	0.106	62000	0.216
	27/04/2018 Transfer	9250	0.033	71250	0.252
	04/05/2018 Transfer	5250	0.019	76500	0.271
	11/05/2018 Transfer	2300	0.008	78800	0.279
	18/05/2018 Transfer	3400	0.012	82200	0.291
	25/05/2018 Transfer	550	0.002	82750	0.293
	08/06/2018 Transfer	3220	0.011	85970	0.304
	15/06/2018 Transfer	2030	0.007	88000	0.312
	22/06/2018 Transfer	1650	0.006	89650	0.318
	30/06/2018 Transfer	-9850	0.034	79800	0.283
	06/07/2018 Transfer	-9637	0.034	70163	0.248
	13/07/2018 Transfer	-8663	0.031	61500	0.218
	20/07/2018 Transfer	-4159	0.015	57341	0.203
	27/07/2018 Transfer	-4841	0.017	52500	0.186
	03/08/2018 Transfer	-30900	0.109	21600	0.076
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			216000	0.076
	17/08/2018 Transfer	-56000	0.020	160000	0.057
	24/08/2018 Transfer	-62000	0.022	98000	0.035
	31/08/2018 Transfer	-98000	0.035	0	0.000
	c) At the End of the Year			0	0.000
6	**LILY RETAILERS PVT. LTD.**				
	a) At the Begining of the Year	544235	1.927		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			5442350	1.927
	08/02/2019 Transfer	-5442350	1.927	0	0.000
	c) At the End of the Year			0	0.000
7	**NIHON IMPEX PRIVATE LIMITED**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	08/03/2019 Transfer	6450680	2.285	6450680	2.285
	c) At the End of the Year			6450680	2.285
8	**NISHA BIDASARIA**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	04/01/2019 Transfer	256920	0.091	256920	0.091
	c) At the End of the Year			256920	0.091
9	**PULKIT.N.SEKHSARIA**				
	a) At the Begining of the Year	170000	0.602		
	b) Changes during the year				

ANNEXURE - XI to the Directors Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			170000	0.602
	c) At the End of the Year			170000	0.602
10	**SUVI RUBBER PVT LTD**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	14/09/2018 Transfer	313154	0.111	313154	0.111
	21/09/2018 Transfer	-8227	0.003	304927	0.108
	29/09/2018 Transfer	10154	0.004	315081	0.112
	05/10/2018 Transfer	-14000	0.005	301081	0.107
	12/10/2018 Transfer	29937	0.011	331018	0.117
	19/10/2018 Transfer	1934	0.001	332952	0.118
	26/10/2018 Transfer	-4000	0.001	328952	0.117
	23/11/2018 Transfer	-10623	0.004	318329	0.113
	21/12/2018 Transfer	9110	0.003	327439	0.116
	28/12/2018 Transfer	-7000	0.003	320439	0.113
	08/02/2019 Transfer	-10000	0.004	310439	0.110
	15/02/2019 Transfer	-5364	0.002	305075	0.108
	22/02/2019 Transfer	-4232	0.002	300843	0.107
	08/03/2019 Transfer	-5000	0.002	295843	0.105
	15/03/2019 Transfer	-5787	0.002	290056	0.103
	22/03/2019 Transfer	-15000	0.005	275056	0.097
	c) At the End of the Year			275056	0.097
11	**UTKARSH DEALER PRIVATE LIMITED**				
	a) At the Begining of the Year	665470	2.357		
	b) Changes during the year				
	Date Reason				
	20/04/2018 Transfer	7137	0.025	672607	2.382
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			6726070	2.382
	c) At the End of the Year			6726070	2.382
12	**VIVEKANANDAN SRINIVASAN**				
	a) At the Begining of the Year	75649	0.268		
	b) Changes during the year				
	Date Reason				
	25/05/2018 Transfer	3562	0.013	79211	0.281
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			792110	0.281
	c) At the End of the Year			792110	0.281
13	**WALLSTREET DISTRIBUTOR PRIVATE LIMITED**				
	a) At the Begining of the Year	1104744	3.913		
	b) Changes during the year				
	Date Reason				
	11/05/2018 Transfer	46350	0.164	1151094	4.077
	01/06/2018 Transfer	230500	0.816	1381594	4.893
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			13815940	4.893
	08/02/2019 Transfer	5442350	1.927	19258290	6.820

ANNEXURE - XI to the Directors Report

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	c) At the End of the Year			19258290	6.820
14	**WARNER DEALCOM PRIVATE LIMITED**				
	a) At the Begining of the Year	1359032	4.813		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			13590320	4.813
	c) At the End of the Year			13590320	4.813
	T O T A L	**9554320**	**33.837**	**99038269**	**35.075**

E. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**AMIT JALAN**				
	a) At the Begining of the Year	12	0.000		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			120	0.000
	c) At the End of the Year			120	0.000
2	**CHANDRA PRAKASH AGARWAL**				
	a) At the Begining of the Year	5234004	18.537		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			52340040	18.537
	c) At the End of the Year			52340040	18.537
3	**MAYANK AGARWAL**				
	a) At the Begining of the Year	692937	2.454		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			6929370	2.454
	c) At the End of the Year			6929370	2.454
4	**NITIN MAHAVIR KANDOI**				
	a) At the Begining of the Year	47500	0.168		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			475000	0.168
	c) At the End of the Year			475000	0.168
5	**PREM PRAKASH AGARWAL**				
	a) At the Begining of the Year	314303	1.113		
	b) Changes during the year				
	Date Reason				
	13/04/2018 Transfer	-7500	0.027	306803	1.087

ANNEXURE - XI to the Directors Report

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	04/05/2018 Transfer	-47590	0.169	259213	0.918
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			2592130	0.918
	c) At the End of the Year			2592130	0.918
6	**SANTOSH KUMAR AGARWAL**				
	a) At the Begining of the Year	219708	0.778		
	b) Changes during the year				
	Date Reason				
	10/08/2018 [Split of Equity Shares of FV Rs. 10/- to FV Rs. 1/-]			2197080	0.778
	29/03/2019 Transfer	10000	0.004	2207080	0.782
	c) At the End of the Year			2207080	0.782
	T O T A L	**6508464**	**23.050**	**64543740**	**22.859**

V. INDEBTEDNESS

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

Amount ₹ in lacs

Particulars	Secured Loan excluding Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	14,252.65	15,385.69	-	29,638.34
(ii) Interest due but not paid	-	-	-	-
3.Interest accrued but not due	-	-	-	-
Total (1+2+3)	**14,252.65**	**15,385.69**	**-**	**29,638.34**
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	819.67	4,668.43	-	5,488.10
Net Change	-819.67	-4,668.43	-	-5,488.10
Indebtedness at the end of the financial year				
(i) Principal Amount	13,432.98	10,717.26	-	24,150.24
(ii) Interest due but not paid	-	-	-	-
3.Interest accrued but not due	-	-	-	-
Total (1+2+3)	**13,432.98**	**10,717.26**	**-**	**24,150.24**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹ In Lacs)
		Chandra Prakash Agrawal	Prem Prakash Agrawal	Santosh Kumar Agrawal	Nitin Mahavir Prasad Kandoi	
1	**Gross Salary**					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.00	24.00	24.00	24.00	**96.00**
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	**Commission**	NIL	NIL	NIL	NIL	**NIL**
3	**Others –Remuneration benefits**	NIL	NIL	NIL	NIL	**NIL**
	Total (A)	24.00	24.00	24.00	24.00	**96.00**

ANNEXURE - XI to the Directors Report

B. Remuneration to Other Directors (All being Independent)

S. N.	Particulars of Remuneration	Name of Directors					Total Amount (₹ In Lacs)
		Jyotirindra Nath Dey	Piyush Kankrania	Sangeeta Upadhyay	Tarun Kumar Gupta	Sanchit Dubey	
1	Fees for attending Board/Committee Meetings	0.34	0.28	0.10	0.22	0.09	**1.03**
2	Commission	NIL	NIL	NIL	NIL	NIL	**NIL**
3	Others	NIL	NIL	NIL	NIL	NIL	**NIL**

C. Remuneration to Key Managerial Personnel

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs. In Lacs)
		Mayank Agrawal	Amit Jalan	Nitesh Kumar	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	15.00	9.94	18.00	**32.81**
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	**NIL**
2	**Others –Remuneration benefits**	NIL	NIL	NIL	**NIL**

VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YEAR

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

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

Gallantt Ispat's governance philosophy is based on trusteeship, transparency and accountability. The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationships between itself and its stakeholders.

The Company has complied with the principles and practices of good Corporate Governance

as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations".

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

2. BOARD OF DIRECTORS

2.1 Composition

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

As on March 31, 2019 your Company's Board comprised of 8 Directors (out of which 50% of the Directors are Non-Executive Independent Directors) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Chief Executive Officer of the Company are held by separate individuals.

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

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

Names of the Director		% to the total number of Directors
I.	**Independent Director**	50%
	Mr. Piyush Kankrania*	
	Mr. Sanchit Dubey *	
	Mr. Jyotirindra Nath Dey**	
	Mrs. Sangeeta Upadhyaya	
II.	**Non-Executive Non-Independent Director**	NIL
III.	**Executive Director**	50%
	Chandra Prakash Agrawal	
	Santosh Kumar Agrawal	
	Prem Prakash Agrawal	
	Nitin Mahavir Prasad Kandoi	

* Mr. Piyush Kankrania and Mr. Sanchit Dubey tendered their resignation from the Directorship of the Company effective from April 29, 2019.

** Mr. Jyotirindra Nath Dey tendered his resignation from the Directorship of the Company effective from June 23, 2019.

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

Mrs. Smita Modi (DIN: 01141396) and Mr. Dindayal Jalan (DIN: 00006882) were appointed as Additional Independent Directors on the Board of the Company effective from June 23, 2019.

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

Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal are

related to each other as brothers. Also, relatives of these Directors are employed in the Company. At their meeting held on March 30, 2019, Mr. Chandra Prakash Agrawal (effective from April 01, 2019), Mr. Santosh Kumar Agrawal (effective from July 10, 2019), Mr. Prem Prakash Agrawal (effective from April 01, 2019) and Mr. Nitin Mahavir Prasad Kandoi (effective from October 10, 2019), all being executive Directors have been reappointed for a period of five years subject to the approval of the shareholders of the Company. The said reappointment shall be approved by the Shareholders at the ensuing 15th Annual General Meeting of the Company.

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

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

2.2 Appointment of Directors

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

2.3 Meetings and Attendance

During the financial year 2018-19, Thirteen Board Meetings were held. These were held on 12.05.2018, 21.05.2018, 29.06.2018, 11.07.2018, 27.07.2018, 09.08.2018, 13.08.2018, 24.10.2018, 31.10.2018, 14.11.2018, 21.01.2019, 05.02.2019 and 30.03.2019. The maximum time gap between any two board meetings was less than 120 days.

2.4 Changes during the Year

Mr. Sanchit Dubey (DIN: 08335705) was appointed as an Additional Independent Director of the Company effective from January 21, 2019. Mr. Piyush Kankrania and Mr. Sanchit Dubey tendered their resignation from the Directorship of the Company effective from April 29, 2019. Mr. Jyotirindra Nath Dey tendered his resignation from the Directorship of the Company effective from June 23, 2019. Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director of the Company effective from April 29, 2019. Mrs. Smita Modi (DIN: 01141396) and Mr. Dindayal Jalan (DIN: 00006882) were appointed as Additional Independent Directors on the Board of the Company effective from June 23, 2019.

2.5 Re-appointment of Directors Proposed at upcoming AGM:

In terms Section 152 of the Companies Act, 2013, Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming Annual General Meeting.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149 (11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. Tenure of Mrs. Sangeeta Upadhyay as an Independent Director over on July 09, 2019 but in the last Annual General Meeting held on September 27, 2018 her appointment for Second Term of 5 (Five) years was approved by the shareholders through Special Resolution.

Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal are related to each other as brothers. Also, relatives of these Directors are employed in the Company. At their meeting held on March 30, 2019, Mr. Chandra Prakash Agrawal (effective from April 01, 2019), Mr. Santosh Kumar Agrawal (effective from July 10, 2019), Mr. Prem Prakash Agrawal (effective from April 01, 2019) and Mr. Nitin Mahavir Prasad Kandoi (effective from October 10, 2019), all being executive Directors have been reappointed for a period of five years subject to the approval of the shareholders of the Company. The said reappointment shall be approved by the Shareholders at the ensuing 15th Annual General Meeting of the Company.

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of the proposed appointee / reappointee are given in the Explanatory

Statement attached to the Notice of 15th AGM of the Company.

2.6 Other Directorships and Committee Memberships:

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

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

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting (27/09/2018) Attended	No. of Board Meetings Attended out of 13 meetings held during the year	No. of other directorships in public companies as on 31/03/2019	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Ispat) As on 31/03/2019	
					Chairman	Member
Mr. Chandra Prakash Agrawal, Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	No	12	1	Nil	Nil
Mr. Santosh Kumar Agrawal, Director Sales & Marketing (DIN: 01045228)	Executive/ Promoter	No	11	Nil	Nil	Nil
Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	Executive / Promoter	No	11	Nil	Nil	Nil
Mr. Nitin Mahavir Prasad Kandoi, Whole-time Director (DIN:01979952)	Executive/ Promoter	No	13	1	Nil[$]	Nil[$]
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)*	Non-Executive/ Independent	Yes	13	2	1	3
Mr. Piyush Kankrania Director (DIN: 05241962)**	Non-Executive/ Independent	Yes	12	Nil	Nil	Nil
Mrs. Sangeeta Upadhyay (DIN: 06920195)	Non-Executive/ Independent	No	12	Nil	Nil	Nil
Mr. Tarun Kumar Gupta, Director (DIN: 07767894)***	Non-Executive/ Independent	Yes	10	Nil	Nil	Nil
Mr. Sanchit Dubey, Director (DIN: 08335705) ****	Non-Executive/ Independent	N.A.	3	Nil	Nil	Nil

* Mr. Jyotirindra Nath Dey, Non-Executive Director of the Company tendered his resignation from the Directorship of the Company effective from June 23, 2019.

** Mr. Piyush Kankrania, Non-Executive Director of the Company tendered his resignation from the Directorship of the Company effective from April 29, 2019.

***Mr. Tarun Kumar Gupta, Non-Executive Director of the Company tendered his resignation from the Directorship of the Company effective from November 14, 2018.

****Mr. Sanchit Dubey was appointed as a Non-Executive Independent Director effective from January 21, 2019. He tendered his resignation from the Directorship of the Company with effect from April 29, 2019.

$ Mr. Nitin Mahavir Prasad Kandoi was not holding Chairmanship or Membership of Audit Committee or Stakeholders Relationship Committee in other Company (ies) as on March 31, 2019. However, with effect from June 23, 2019, Mr. Nitin Mahavir Prasad Kandoi has been appointed as a Member of Audit Committee and Chairperson of Stakeholders Relationship Committee of Gallantt Metal Limited.

Notes:

- Mr. Tarun Kumar Gupta, Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania, Mr. Sanchit Dubey and Mrs. Sangeeta Upadhyaya have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.
- Other Directorships of only Indian Public Limited Companies have been considered.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.
- Except Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal who are brothers, no other directors have any inter se relationship.

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

Sl. No.	Name of Director	Name of other listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	1. Gallantt Metal Limited (CIN: L27109DL2005PLC350524)	Executive Director
2	Mr. Santosh Kumar Agrawal, Director Sales & Marketing (DIN: 01045228)	None	-
3	Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	None	-
4	Mr. Nitin Mahavir Prasad Kandoi Whole-time Director (DIN:01979952)	1. Gallantt Metal Limited (CIN: L27109DL2005PLC350524)	Non – Executive Non-Independent Director
5	Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	1. Gallantt Metal Limited (CIN: L27109DL2005PLC350524) 2. Concrete Credit Limited (CIN: L17299WB1981PLC033782)	Non-Executive Independent Director
6	Mr. Piyush Kankrania Director (DIN: 05241962)	None	Non-Executive Independent Director
7	Mrs. Sangeeta Upadhyay (DIN: 06920195)	None	Non-Executive Independent Director
8	Mr. Tarun Kumar Gupta, Director (DIN: 07767894)	None	Non-Executive Independent Director
9	Mr. Sanchit Dubey, Director (DIN: 08335705)	None	Non-Executive Independent Director

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

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

i) Knowledge on Company's businesses (Steel, Agro and Real Estate), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;

ii) **Behavioural skills** - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;

iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;

iv) Financial and Management skills;

v) Technical / Professional skills and specialized knowledge in relation to Company's business

2.8 Information supplied to the Board

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

2.9 Separate Meeting of Independent Directors:

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

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

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

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

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

2.10 Shareholding of Directors Including Non-Executive Directors

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

Sr. No.	Name of Directors	No. of Shares held
1.	Chandra Prakash Agrawal	5,23,40,040
2.	Mr. Santosh Kumar Agrawal	22,07,080
3.	Mr. Prem Prakash Agrawal	25,92,130
4.	Mr. Nitin Mahavir Prasad Kandoi	4,75,000
5.	Mr. Jyotirindra Nath Dey	NIL
6.	Mr. Tarun Kumar Gupta*	NIL
7.	Mr. Piyush Kankrania	NIL
8.	Mrs. Sangeeta Upadhyay	NIL
9.	Mr. Sanchit Dubey	NIL

*Resigned on November 14, 2018

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

2.11 Induction and Familiarization Program for Directors

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

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com.

2.12 Independent Directors

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

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

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

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company viz. Mr. Piyush Kankrania, Mr. Jyotirindra Nath Dey, Mr. Tarun Kumar Gupta, Mr. Sanchit Dubey and Mrs. Sangeeta Upadhyay have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations.

2.13 Board Procedures

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

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

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

2.14 Performance evaluation of Directors

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

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

The criteria for the performance evaluation included the following:

• The Board – Structure, composition and quality of Board, Board meeting schedule, agenda and collaterals, board meeting practices and overall board effectiveness.

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

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

2.15 Non-executive Directors' compensation and disclosures

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

2.16 Other Provisions as to Board and Committees

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

2.17 Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013

and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. https://www.gallantt.com

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

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

2.19 Criteria of Selection of Independent Directors

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

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

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

Further pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, it is hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified SEBI LODR Regulations 2015 read with Amendments thereof and are independent of the management.

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

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

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

2.21 Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided: Mr. Tarun Kumar Kumar Gupta (date of resignation 14.11.2018), Mr. Sanchit Dubey (date of resignation 29.04.2019), Mr. Piyush Kankrania (date of resignation 29.04.2019) and Mr. Jyotirindra Nath Dey (date of resignation 23.06.2019) have tendered their resignation from the Directorship of the Company. These Directors resigned from the Directorship due to their personal reason and other engagements. Further, they have confirmed that there are no other material reasons other than those provided. Hence, based on their declaration, this is to confirm that resignation of all the above Directors were due to their personal reasons and other engagements and that there are no other material reasons other than those provided for their resignation from the Directorship of the Company.

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

2.22 Succession Planning

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

2.23 Committees of Board of Directors

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

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The minutes of the meetings of all committees are placed before the Board for review.

Your Company has four Board level committees:

a) Audit Committee

b) Nomination & Remuneration Committee

c) Stakeholders' Relationship Committee

d) Corporate Social Responsibility Committee

3. CODE OF CONDUCT

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

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

4. AUDIT COMMITTEE

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

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

4.1 Composition

As on date of reporting, the Audit Committee comprises of three (3) Directors. The members of the Audit Committee are Mrs. Smita Modi (Chairperson), Mrs. Sangeeta Upadhyay and Mr. Prem Prakash Agrawal, all of whom possess accounting and financial management expertise/ exposure. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Audit Committee.

As on March 31, 2019, the Audit Committee comprised of three Independent Directors viz. Mr. Piyush Kankrania (Chairman), Mr. Jyotirindra Nath Dey and Mr. Sanchit Dubey. All the three Directors have resigned from the Board of the Company. The Audit Committee has been reconstituted on June 23, 2019 by introduction of Mrs. Smita Modi (Chairperson), Independent Director; Mrs.

Sangeeta Upadhyay, Independent Director; and Mr. Prem Prakash Agrawal, Executive Director.

Mr. Piyush Kankrania, the then Chairman – Audit Committee was present at the Annual General Meeting held on Thursday, September 27, 2018.

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

4.2 Power of Audit Committee

The "Audit Committee" shall have the following powers:

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

4.3 Role/Terms of Reference of Audit Committee

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
   - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act 2013;
   - Changes, if any, in accounting policies and practices and reasons for the same;
   - Major accounting entries involving estimates based on the exercise of judgment by management;
   - Significant adjustments made in the financial statements arising out of audit findings;
   - Compliance with listing and other legal requirements relating to the financial statements;
   - Disclosure of any related party transactions;
   - Qualifications in the draft audit report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
22. The Audit Committee to review utilisation of loans and/or advances from investment by holding company in subsidiary company exceeding INR 100 crores or 10% of asset size of subsidiary, whichever is low.
23. The Audit Committee of the Board shall review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

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

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

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

4.4 Meetings and Attendance

A total of Ten (10) Audit Committee Meetings were held in the financial year 2018–19. The meetings were held on 12.05.2018, 21.05.2018, 29.06.2018, 13.08.2018, 24.10.2018, 31.10.2018, 14.11.2018, 21.01.2019, 05.02.2019 and 30.03.2019.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Piyush Kankrania*	Chairman	Independent	10
Mr. Jyotirindra Nath Dey**	Member	Independent	10
Mr. Tarun Kumar Gupta***	Member	Independent	7
Mr. Sanchit Dubey****	Member	Independent	3

*Resigned on April 29, 2019

**Resigned on June 23, 2019

***Resigned on November 14, 2018

****Appointed on January 21, 2019 and resigned on April 29, 2019.

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

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

5.1 Composition

During the year ended 31st March, 2019, the Stakeholders Relationship Committee comprised of Mr. Sanchit Dubey, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

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

5.2 Terms of Reference

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

5.3 Meetings and Attendance

A total of Three (3) Stakeholders Relationship Committee Meeting was held in the financial year 2018–19. The meetings were held on 29.06.2018, 21.01.2019 and 31.03.2019.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Tarun Kumar Gupta*	Chairperson	Independent	1
Mr. Sanchit Dubey*	Chairperson	Independent	2
Mr. Piyush Kankrania	Member	Independent	3
Mr. Jyotirindra Nath Dey	Member	Independent	3

*Mr. Tarun Kumar Gupta tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Chairmanship of the Stakeholder Relationship Committee.

*Mr. Sanchit Dubey was appointed as an Additional Independent Director effective from January 21, 2019. He was also appointed as a Chairperson of the Stakeholder Relationship Committee effective from January 21, 2019.

Mr. Tarun Kumar Gupta and after his resignation Mr. Sanchit Dubey was heading the Committee as a Chairman. Mr. Nitesh Kumar, Company Secretary acts as a Compliance Officer of the Company.

5.4 Status of Complaints

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

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

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

As per Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules") read with Section 124 of the Act, intimations have been sent to shareholders concerned, requesting them to encash their unclaimed dividends failing which the unclaimed dividends and the corresponding shares held by them be transferred to IEPF Authority.

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has transferred 6,050 equity shares, in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more pertaining to the financial year ended 31st March 2011, to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company's website i.e., www.gallantt.com.

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

6. NOMINATION AND REMUNERATION COMMITTEE

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

6.1 Role of Nomination and Remuneration Committee

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

a. Terms of Reference -

- Identify persons who are qualified to become directors;
- Identify persons who may be appointed as Key Managerial Personnel and in Senior Management positions;
- Recommended to the Board for re-appointment of directors based on performance evaluation of the retiring director;
- Annual evaluation of every director's performance;
- Formulating a remuneration policy of the Company;
- To propose remuneration packages for the Directors and Key Managerial Personnel including Senior management;
- Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company.

b. Responsibilities and Duties:

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

- Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- Devising a policy on diversity of board of directors;
- Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;

- Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

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

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

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

6.2 Meetings and Attendance

During the year ended 31st March, 2019, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Sanchit Dubey all Independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

A total of two Nomination and Remuneration Committee Meeting was held in the financial year 2018–19. The meetings were held on 13.08.2018 and 30.03.2019.

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

Names	Designation	Category	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	2
Mr. Piyush Kankrania	Member	Independent	2
Mr. Tarun Kumar Gupta*	Member	Independent	1
Mr. Sanchit Dubey*	Member	Independent	1

*Mr. Tarun Kumar Gupta tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Membership of the Nomination and Remuneration Committee.

*Mr. Sanchit Dubey was appointed as an Additional Independent Director effective from January 21, 2019. He was also appointed as a Member of the Stakeholder Relationship Committee effective from January 21, 2019.

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

6.3 Nomination and Remuneration Policy of the Company

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

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

Summary of Remuneration Policy of the Company:

The Board has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Act, 2013 and Regulation 19

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

6.4 Remuneration of Directors

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

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

Name	Designation	Aggregate Value of Salary & Perquisites (Rs. In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	24.00
Mr. Prem Prakash Agrawal	Whole time Director	24.00
Mr. Nitin Mahavir Prasad Kandoi	Director-Plant Operation	24.00
Mr. Santosh Kumar Agrawal	Director - Sales & Marketing	24.00

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

(b) Non-Executive Directors

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

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

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

6.5 Evaluation Criteria

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

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

7.1 Terms of reference

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

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

7.2 Meetings and Attendance

The Committee met five (5) times during the financial year ended 31st March, 2019 on 12.05.2018, 21.05.2018, 13.08.2018, 31.10.2018 and 30.03.2019. The constitution of the CSR Committee of the Board

of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2019 is detailed below:

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

*Resigned from the Directorship of the Company effective from June 23, 2019 and consequently, relinquishes the Chairmanship of the CSR Committee.

Mr. Jyotirindra Nath Dey, Independent Director resigned from the Directorship of the Company effective from June 23, 2019 and consequently relinquished the Chairmanship of the Corporate Social Responsibility Committee. Corporate Social Responsibility Committee has been reconstituted by the Board of Directors of the Company on June 23, 2019 by appointment of Mrs. Smita Modi as Member and Mr. Prem Prakash Agrawal as Chairperson of the Corporate Social Responsibility Committee.

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

8. SUBSIDIARY COMPANIES

During the Year Company has approved Scheme of Amalgamation of four wholly owned subsidiaries viz. M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited.

Vide its Order dated October 31, 2018 Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited (all being Wholly Owned Subsidiaries of the Company) with the Company. Consequent upon amalgamation of these Wholly Owned Subsidiaries with the Company, these entities ceased to exist as Subsidiaries. Amalgamation Orders of Honorable Regional Director have been received on October 31, 2018 and the same were filed with the Registrar of Companies, West Bengal on November 08, 2018. At the end of the Financial Year on March 31, 2019, Company has no Subsidiary Company.

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

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

(i) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.

(ii) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.

(iii) All significant transactions and arrangements entered into by the subsidiary company are reviewed on regular basis.

The Company does not have any material non-listed Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website www.gallantt.com.

9. RISK MANAGEMENT

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

10. RELATED PARTY TRANSACTIONS

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

this Annual Report.

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

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

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

11. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2017-2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	27.09.2018	2.00 P.M.
2016-2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2017	2.00 P.M.
2015-2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2016	2.00 P.M.

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

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
14th Annual General Meeting	2017-18	27.09.2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	1. To reappoint Mr. Jyotirindra Nath Dey (DIN:00180925) as an Independent Director for Second Term of five years. 2. To reappoint Mr. Piyush Kankrania (DIN: 05241962) as an Independent Director for Second Term of five years. 3. To reappoint Mrs. Sangeeta Upadhyay (DIN:06920195) as an Independent Director for Second Term of five years. 4. Granting of Loan under Section 185 of the Companies Act, 2013 to M/s. Gallantt Metal Limited
13th Annual General Meeting	2016-17	26.09.2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	1. Increase in remuneration of Mr. Chandra Prakash Agarwal, Managing Director of the Company (DIN: 01814318). 2. Increase in remuneration of Mr. Prem Prakash Agrawal, Whole-time Director of the Company (DIN: 01397585). 3. Increase in remuneration of Mr. Santosh Kumar Agarwal, Whole-time Director (Director- Sales & Marketing) of the Company (DIN: 01045228) 4.Increase in remuneration of Mr. Nitin Mahavir Prasad Kandoi, Whole-time Director (Director-Plant Operation) of the Company (DIN: 01979952)

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

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

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

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

11.6 Procedure for Postal Ballot: Not Applicable.

11.7 Extraordinary General Meeting

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

Date	Venue	Business	Type of Resolution
15.06.2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	**Item No.1** Resolution(s) in terms of Section 233 of Companies Act, 2013 thereby according consent to the Scheme of Amalgamation by way of a specified majority.	Specified Majority
27.07.2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	**Item No. 01**: Sub-dividing/ splitting of Face Value of Equity Shares from Rs. 10/- each to Re. 1/- each of the Company as per Section 61(1)(d) of the Companies Act, 2013. **Item No. 02**: Alteration of 'Capital Clause' of Memorandum of Association as per the Sections 13, 61 and all other applicable provisions, if any, of the Companies Act, 2013.	Special Resolution Special Resolution
04.01.2019	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	**Item No. 1.** Shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory of Delhi (NCT of Delhi). **Item No. 2**: Alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.	Special Resolution Special Resolution

11.8 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

12. MEANS OF COMMUNICATION

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

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

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

Details about the means of communication:

1. Quarterly Results:

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

2. Whether it also displays official news releases; Yes

13. GENERAL SHAREHOLDERS INFORMATION

13.1	Date, time and time of the Annual General Meeting	Thursday, September 26, 2019 at 11.00 A.M.
13.2	Venue	"Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi - 110014.
13.3	Financial Year	April 01, 2018 to March 31, 2019
13.4	Cut-off date for determining the names of shareholders eligible to vote	Thursday, September 19, 2019
13.5	Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting	Friday, August 16, 2019
13.6	Publication of results for the financial year 2019-20 (tentative and subject to change)	a) First quarter results: On or before August 14, 2019. b) Second quarter and half year results: On or before November 14, 2019. c) Third quarter results: On or before February 14, 2020. d) Fourth quarter results and results for the year ending March 31, 2020: On or before May 30, 2020.
13.7	Dates of book closure	September 20, 2019 to September 26, 2019 (both days inclusive)
13.8	Dividend Payment Date	During the Financial Year 2018-19, Company has paid Interim Dividend. The Board of Directors has not proposed for Final Dividend for the Financial Year 2018-19.
13.9	Listing on Stock Exchanges and Stock Code	1. BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 Stock Code: 533265 2. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120 Stock Code: GALLISPAT
13.10	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the financial year 2019-20 has been duly paid by the Company.

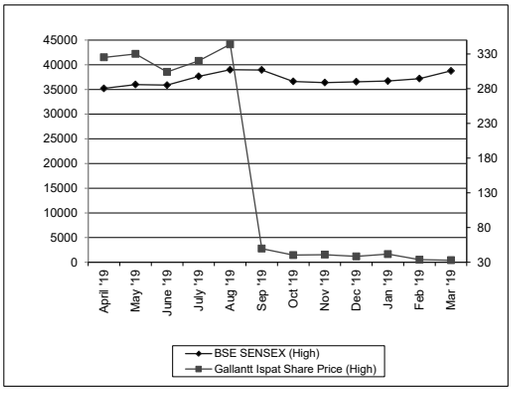
13.11 Market Price Data- High, Low During Each Month in Last Financial Year

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

	BSE		NSE	
Month	High Price	Low Price	High Price	Low Price
Apr-18	325.00	250.00	327.25	261.45
May-18	330.00	260.00	315.25	261.55
Jun-18	304.00	231.50	299.90	218.35
Jul-18	320.00	261.10	320.00	260.00
Aug-18	343.80	31.00	342.45	32.20
Sep-18	49.70	33.15	49.45	33.75
Oct-18	40.40	29.95	40.50	29.20
Nov-18	40.95	31.15	40.85	32.30
Dec-18	38.45	28.65	38.80	32.00
Jan-19	41.80	31.00	42.00	30.85
Feb-19	33.80	28.00	33.20	27.10
Mar-19	32.90	27.70	33.70	27.70

In accordance with the Special Resolution passed at the Extra ordinary General Meeting of the Company dated 27.07.2018, the face value of equity shares of the Company was sub-divided from Rs. 10/- each to Re. 1/- each. Company has fixed August 08, 2018 as the Record Date /Cut Off Date for determing the eligibility of Shareholders to whom shares were credited after sub-division in the ratio of 10:1.

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



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

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

13.14 Registrar and Share Transfer Agents;

Niche Technologies Pvt. Ltd.

7th Floor, Room, No. 7A & 7B,

3A, Auckland Rd, Elgin, Kolkata,

West Bengal – 700017.

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

Email id: nichetechpl@nichetechpl.com

Website: www.nichetechpl.com

13.15 Share Transfer System;

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

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

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

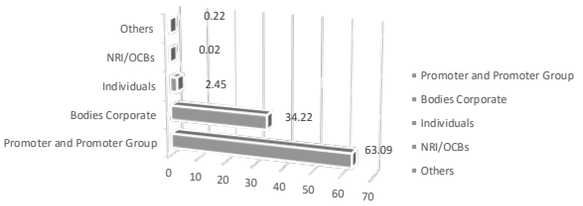
Distribution of shareholding by size is as given below:

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	2,442	69.414	3,58,421	0.127
501-1,000	405	11.512	3,47,784	0.123
1,001-5,000	471	13.389	10,73,923	0.380
5,001-10,000	85	2.416	6,41,684	0.227
10,001-50,000	77	2.189	16,26,646	0.576
50,001-1,00,000	9	0.256	6,32,357	0.224
1,00,001 and Above	29	0.824	27,76,79,905	98.343
TOTAL	**3,518**	**100.000**	**28,23,60,720**	**100.000**

13.17 Categories of shareholding as on 31st March, 2019

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING:		
Promoters	17,81,55,230	63.09
Total Promoters' Holding	**17,81,55,230**	**63.09**
PUBLIC SHAREHOLDING:		
Institutional Investors		
Financial Institution/Bank	0	0.00
Financial Institution Investor	0	0.00
Foreign Portfolio Investor	0	0.00
Others		
Bodies Corporate	9,66,20,359	34.22
Individuals	69,14,208	2.45
NRI/OCBs	63,562	0.02
Clearing Member/Clearing Corporation (Demat shares in transit)		
IEPF	6,01,311	0.21
Total Public Shareholding	6,050	0.00
	10,42,05,490	**36.91**
GRAND TOTAL	**28,23,60,720**	**100**

Category-wise shareholding:



13.18 Dematerialization of Shares and Liquidity

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

The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE528K01029. Nearly 100.00% of total listed equity shares have been dematerialised as on March 31, 2019.

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

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

The Company has insignificant foreign exchange exposure towards imports. Commodities form a major part of business of the Company and hence Commodity price risk is one of the important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility.

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

13.21 Corporate Identity Number (CIN): L27109DL2005PLC350523

13.22 Plant locations:

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

13.23 Address for correspondence

Registrar and Share Transfer Agents; Mr. S. Abbas, Senior System Manager **Niche Technologies Pvt. Ltd**. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. **Tel**.: (033) 2280 6616 / 17 / 18 **Email id**: nichetechpl@nichetechpl.com **Website**: www.nichetechpl.com	**Unit**: Gallantt Ispat Limited **Contact Person**: Mr. Nitesh Kumar, Company Secretary and Compliance Officer, "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014. **Telefax**: 011-41645392 **Email-Id** :nitesh@gallantt.com **Website** :www.gallantt.com

Depositories:

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

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

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

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

However, Company is availing short-term and long term bank finance facilities from the Bankers. Vide its rating letter dated bearing reference no. LOA/GALLIL/197034/BLR/0418/07904 dated April 02, 2018, Crisil Limited had assigned Credit Rating CRISIL BBB-/Stable (for Long-Term Rating) and CRISIL A3 (for Short Term Rating). At the request of the Company, Crisil Limited, vide its withdrawal letter dated July 25, 2019, has withdrawn rating assigned as above.

During the year under report, vide its rating letter bearing reference no. BWR/BLR/DEL/IRC/RK/1240/2019-20 dated June 19, 2019, the Rating agency M/s. Brickwork Ratings India Private Limited has upgraded and assigned BWR BBB+ rating for the Company's Fund Based Long Term facilities (long term) and BWR A2 for Non-Fund based Short Term facilities.

13.25 Unpaid and Unclaimed Amount of Dividend and Share Application Money

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

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In Rs.)	Date of Declaration
HDFC BANK LIMITED	2011-12	HDFC Bank Account No. 00142300002332	**6,216.00**	25.09.2012
IDBI BANK LIMITED	2012-13	IDBI Bank Account No. 0135103000007344	**17,723.50**	19.09.2013
IDBI BANK LIMITED	2013-14	IDBI Bank Account No. 0135103000007900	**3,282.50**	09.09.2014
IDBI BANK LIMITED	2014-15	IDBI Bank Account No. 0135103000008587	**40,627.00**	28.09.2015
ICICI BANK LIMITED	2015-16 (Interim)	ICICI Bank Account No. 001105026007	**3,929.00**	17.03.2016 (Interim)
IDBI BANK LIMITED	2016-17	IDBI Bank Account No. 1526103000000347	**12,765.50**	26.09.2017
IDBI BANK LIMITED	2017-18	IDBI Bank Account No. 1526103000000569	**21,063.00**	27.09.2018
IDBI BANK LIMITED	2018-19 (Interim)	IDBI Bank Account No. 1526103000000666	**23,761.75**	28.11.2018 (Interim)

Unpaid dividend amounts are not available for use by the Company. Unpaid and Unclaimed Dividend for the Financial Year 2010-11 of Rs. 13,111 due for refund was transferred to Investors' Education and Protection Fund on November 05, 2018. This Unclaimed Dividend remained unpaid for seven consecutive years. Unclaimed and unpaid amount of Dividend for the Financial Year 2011-12 to the tune of Rs. 6,216 are to be transferred to the Investors' Education and Protection Fund. Members who have not so far encashed their Divided Warrants for the financial years ended 31st March, 2012, 2013, 2014, 2015, 2016 (Interim), 2017, 2018 and 2019 (Interim) are requested to approach immediately the Registrar and Share Transfer Agent/Company for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website **www.gallantt.com** and also uploaded on the website of IEPF viz. **www.iepf.gov.in**.

13.26 Transfer of shares to IEPF

As required under Section 124 of the Companies Act, 2013, 6,050 Equity Shares, in respect of which dividend has not been claimed by the members for seven consecutive years or more, have been transferred by the Company to the Investor Education and Protection Fund Authority (IEPF) during the financial year 2018-19. Details of shares transferred have been uploaded on the website of IEPF as well as the Company.

14. OTHER DISCLOSURE

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

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

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

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

14.3 Accounting Standards

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

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

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

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

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

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

(i) The Internal Auditor reports to the Audit Committee.

(ii) The financial statements of the Company are with unmodified audit opinion.

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

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

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

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

14.8 Disclosure of commodity price risks and commodity hedging activities.

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

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

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

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

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

14.11 Recommendations of Committees of the Board

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

14.12 Total fees paid to Statutory Auditors of the Company

Total fees of Rs. 3,55,000 (Rupees Three Lacs Fifty Five Thousand only) for financial year 2018-19, for all services, was paid by the Company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

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

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

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

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

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

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

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

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

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

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

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

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

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

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

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

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

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

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at www.gallantt.com.

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

14.23 Nomination

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

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

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

14.25 Reconciliation of share capital audit

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

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

14.26 Code of Conduct

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

14.27 Trading window

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

14.28 Conflict of Interests

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

14.29 CEO/CFO Certification

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

The CEO and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI LODR Regulations, 2015.

The annual certificate given by the CEO and the CFO is published in this Report as **Annexure-B** of this Corporate Governance Report.

14.30 Uday Kotak Committee Recommendation

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

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

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

14.31 Policy for Preservation of Documents

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

14.32 Policy for Determination of Legitimate Purposes

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

14.33 Policy on enquiry of leak of Unpublished Price Sensitive Information

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

14.34 Shareholder voting

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

1. Vote in advance of the Annual General Meeting through remote e-voting process.
2. Vote in person at the Annual General Meeting through polling paper/ballot paper.

14.35 Green Initiative in Corporate Governance

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

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

14.36 Compliance Certificate on Corporate Governance

Certificate received from M/s. Anoop Agarwal & Co., Chartered Accountants, Statutory Auditors of the Company having their office at 14, Saket Nagar, Lachhipur, Gorakhnath, Gorakhpur 273015, Uttar Pradesh confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V(E) of the SEBI LODR Regulations, 2015 is annexed to this Corporate Governance Report as **Annexure-C.**

14.37 Secretarial Audit

The Company's Board of Directors appointed Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary

to conduct the secretarial audit of its records and documents for the Financial Year 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI LODR Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

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

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

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

Name of Director	Sitting Fees (Rs.)
Mr. Jyotirindra Nath Dey	34,000
Mr. Piyush Kankrania	28,000
Mrs. Sangeeta Upadhyay	10,000
Mr. Tarun Kumar Gupta	22,000
Mr. Sanchit Dubey	9,000
TOTAL	**1,03,000**

14.39 Dividend History for the last 10 financial years

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

Sr. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share	Dividend Amount
1	2018-19	28.11.2018 (Interim)	Re. 0.05/- (Five Paise only)	Rs. 1,46,33,252.50
2	2017-18	27.09.2018	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
3	2016-17	26.09.2017	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
4	2015-16	17.03.2016 (Interim)	Re. 1/- (Rupee One only)	Rs. 2,82,36,072.00
5	2014-15	28.09.2015	Re. 1/- (Rupee One only)	Rs. 2,82,36,072.00
6	2013-14	09.09.2014	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
7	2012-13	19.09.2013	Re. 0.50/- (Paise Fifty only)	Rs. 1,46,33,252.50
8	2011-12	25.09.2012	Re. 0.50/- (Paise Fifty only)	Rs. 1,33,83,252.50
9	2010-11	28.09.2011	Re. 0.50/- (Paise Fifty only)	Rs. 1,33,83,252.50
10	2009-10	No Dividend Declared	Nil	Nil

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

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend has not been paid or claimed by a Shareholder for a period of 7 (Seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of 30 (Thirty) days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

In pursuance of the foregoing your Company has 350 outstanding no. of equity shares on which dividend was unclaimed / unpaid for the consecutive 7 (Seven) years and liable to be transferred to IEPF Authority on or after November 01, 2019. Details of such shares are available on website of Company under Investors Section. Shares which will be transferred to the Demat Account of IEPFA can be claimed back by the Shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore, it is in the interest of Shareholders to regularly claim the dividends declared by the Company.

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

14.42 Codes and Policies

Particulars Website Details/Links:

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

For and on Behalf of the Board

C. P. Agrawal
Chairman

Place: Gorakhpur
Date: August 13, 2019

Annexure - A

DECLARATION

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

Gorakhpur	**C. P. Agrawal**	**Mayank Agrawal**
August 13, 2019	Chairman and Managing Director	Chief Executive Officer

Annexure - B

CEO/CFO CERTIFICATION

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

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

a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that there are no::

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gorakhpur	**Mayank Agrawal**	**Amit Jalan**
Date : August 13, 2019	Chief Executive Officer	Chief Financial Officer

Annexure - C

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

To the Members of

Gallantt Ispat Limited

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

Managements' Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019. We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.

8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm's Registration No: 001739C

Amit Kumar Srivastava
Partner
Membership No. 517195

Date : August 13 2019
Place : Gorakhpur

Annexure - D

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gallantt Ispat Limited having CIN: L27109DL2005PLC350523 and having Registered Office at "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S.N.	Name of the Directors	DIN	Date of Appointment in the Company
1	Mr. Chandra Prakash Agrawal	01814318	01.08.2006
2	Mr. Santosh Kumar Agrawal	01045228	10.07.2014
3	Mr. Prem Prakash Agrawal	01397585	11.02.2005
4	Mr. Nitin Mahavir Prasad Kandoi	01979952	15.09.2007
5	Mr. Jyotirindra Nath Dey	00180925	10.10.2009
6	Mr. Piyush Kankrania	05241962	29.03.2012
7	Mr. Sanchit Dubey	08335705	21.01.2019
8	Mrs. Sangeeta Upadhyay	06920195	10.07.2014

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

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

Place: Gorakhpur
Dated: August 13, 2019

Independent Auditor's Report on Standalone Financial Statements

TO THE MEMBERS OF

GALLANTT ISPAT LIMITED

Report on the audit of standalone Ind AS financial statements

Opinion

We have audited the accompanying standalone IND AS financial statements of **GALLANTT ISPAT LIMITED** ('The Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements"), which we have signed under reference to this report.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the Ind AS financial statements

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

In preparing the standalone financial statements,

management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

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

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

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

Report on other legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone IND AS financial statements comply with

the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no- 40 to the Financial Statements.

ii) The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: April 29, 2019

Annexure A to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **GALLANTT ISPAT LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

Annexure A to the Independent Auditor's Report

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: April 29, 2019

Annexure B to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

   (c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

2. The inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.

   As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause 3 (a), (b) and (c) of the said order not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantees and security.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the Public during the year. Therefore, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate and complete.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, GST, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

   According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess, GST and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, the following dues of Income Tax, Duties of Excise and service tax as at March 31, 2019 have not been deposited by the Company on account of disputes given below:

Statute	Nature of dues	Amount involved (₹ in Lakh)	Period to which the amount relates	Forum where dispute is Pending
UP VAT ACT 2008	VAT	9,255.64 (10,828.03-1,572.39) (Refer Note no. 45)	August 2011 to June 2017	Government of Uttar Pradesh

Annexure B to the Independent Auditor's Report

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, Government or dues to debenture holders. There were no debenture holders at any time during the year.
9. In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of Initial Public offer or further public offer or new term loans during the year. However, the term loans outstanding at the beginning of the year have been applied for the purpose for which the loans were raised.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the company by its officers or employees during the year was noticed or reported, nor we have been informed of such case by the management.
11. In our opinion, the managerial remuneration has been paid or provided in accordance the requisite approvals mandated by the provisions of section 197 read with schedule v to the companies Act.
12. The Company is not a Nidhi company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the notes to the financial statements as required by Indian Accounting Standard (AS) 24, Related Party Disclosures.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares, or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the company has not entered in to any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: April 29, 2019

Balance Sheet as at 31st March, 2019

(₹ in lacs)

	Notes	As at 31.03.2019	As at 31.03.2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	03	44,243.66	46,875.12
(b) Intangible assets	04	47.00	0.25
(c) Capital work in progress		6,007.30	1,111.71
		50,297.96	**47,987.08**
(d) Financial assets			
(i) Investments	05		
a) Investments in subsidiaries		-	366.13
b) Investments in associates		4,267.98	4,267.98
c) Other investments		-	-
(ii) Other financial assets	06	0.68	0.87
(e) Other non-current assets	07	63.94	86.49
(f) Deferred tax assets (Net)	08	1,162.46	1,188.25
(g) Advance Income tax assets (net)		209.21	237.33
		56,002.23	**54,134.13**
(2) Current Assets			
(a) Inventories	09	13,109.12	12,165.51
(b) Financial assets			
(i) Trade receivables	10	7,863.26	4,755.92
(ii) Cash and cash equivalent	11	88.28	120.52
(iii) Other balances with Bank	11	246.61	625.87
(iv) Other financial assets	12	24,518.02	24,521.95
(c) Other current assets	13	2,931.33	1,345.58
		48,756.62	**43,535.35**
TOTAL ASSETS		**1,04,758.85**	**97,669.48**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	2,823.61	2,823.61
(b) Other equity	15	73,577.37	41,773.24
		76,400.98	**44,596.85**
(2) Non-current liabilities			
(a) Borrowings	16	11,584.66	11,949.39
(b) Provisions	17	71.02	17.58
(c) Other non-current liabilities	18	1,241.96	1,359.30
		12,897.64	**13,326.27**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	12,565.58	11,794.91
(ii) Trade payables	20	600.84	6,124.94
(iii) Other financial liabilities	21	1.29	0.52
(b) Other current liabilities	22	2,292.52	21,825.26
(c) Current Income tax liabilities (net)		-	0.73
		15,460.23	**39,746.36**
TOTAL EQUITY AND LIABILITIES		**1,04,758.85**	**97,669.48**

See accompanying notes forming part of the financial statements 1-57

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2019

(₹ in lacs)

	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
(1) Revenue from operations	23	1,22,927.06	58,688.23
(2) Other income	24	204.50	152.89
(3) Total Revenue (1) + (2)		**1,23,131.56**	**58,841.12**
(4) EXPENSES			
(a) Cost of materials consumed	25	93,613.29	43,461.41
(b) Changes in inventories of finished products	26	934.60	(1,993.06)
(c) Employee Benefit Expenses	27	2,632.95	1,340.64
(d) Financial costs	28	967.94	857.17
(e) Depreciation Expenses	29	2,589.53	1,836.71
(f) Excise duty	30	-	1,142.78
(g) Other expenses	31	6,939.54	5,513.51
Total Expenses (4)		**1,07,677.85**	**52,159.16**
(5) Profit before exceptional items (3) - (4)		**15,453.71**	**6,681.96**
(6) Exceptional items			
Exceptional items		1,177.67	-
(7) Profit before tax (5) - (6)		**16,631.38**	**6,681.96**
(8) Tax Expense			
(a) Current tax		3,584.49	1,620.33
(b) Deferred tax		24.85	(300.17)
Total tax expense (8)		**3,609.34**	**1,320.16**
(9) Profit for the period (7) - (8)		**13,022.04**	**5,361.80**
(10) Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		2.67	26.41
(ii) Income tax relating to items that will not be reclassifed to profit and loss		(0.93)	(9.14)
Total other comprehensive income (10)		**1.73**	**17.27**
(11) Total comprehensive income for the period (9) + (10)		**13,023.78**	**5,379.07**
(12) Earnings per equity share: (Face value of share of ₹ 1 each) (Previously it was ₹ 10 Per Share)			
Basic & Diluted (₹)		4.61	18.99

See accompanying notes forming part of the financial statements 1-57

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Cash Flow Statement for the year ended 31st March, 2019

(₹ in lacs)

	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Cash Flow from Operating activities		
Profit for the period	13,022.04	5,361.80
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	3,609.34	1,320.16
Depreciation expense	2,589.53	1,836.71
Interest income	(58.11)	(109.48)
Interest expenses	879.65	748.61
Remeasurement Gain / (Loss) on defined benefit plan	1.73	17.27
(Profit)/loss on sale of property, plant & equipments	1.64	0.24
Operating profit before working capital changes	**20,045.82**	**9,175.31**
Adjustments for (increase)/decrease in operating assets		
Inventories	(943.61)	(7,076.12)
Trade receivables	(3,107.33)	(2,737.28)
Non-current financial Assets	0.19	-
Other non-current assets	54.07	(9.71)
Current financial assets	3.93	(3,998.16)
Other current assets	(1,468.21)	1,260.99
Adjustments for increase/(decrease) in operating liabilities		
Non-current liabilities		
Trade Payables	(5,524.10)	5,320.95
Current financial liabilities	0.77	-
Other non-current liabilities	(117.34)	-
Other current liabilities	(19,532.74)	7,127.15
Provisions	53.44	2.10
Amalgamation Adjustments	19,120.19	-
Cash generated from operations	**8,585.08**	**9,065.23**
Direct taxes paid	(3,587.88)	(1,459.79)
Net cash generated from operating activities	**4,997.20**	**7,605.44**
B. Cash Flow from Investing activities		
Purchase of property, plant & equipment	(5,028.25)	(15,644.56)
Sale of property, plant & equipment	8.86	1.90
Sale/(Purchase) of investment in subsidiary	366.13	135.77
Purchase of investments in associates	-	-
Movement in loans and advances	-	72.89
Movement in fixed deposit held as margin	380.03	(418.61)
Movement in bank balance on account of unpaid dividend	(0.77)	0.72
Interest received	58.11	109.48
Net cash from/ (used in) investing activities	**(4,215.89)**	**(15,742.41)**

Cash Flow Statement for the year ended 31st March, 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
C.	**Cash Flow from Financing activities**		
	Proceeds from long-term loans	(364.73)	1,584.61
	Proceeds from /(Repayment against) working capital borrowings (net)	770.67	1,397.87
	Proceeds from unsecured loans	-	5,894.05
	Dividend & DDT Paid	(339.84)	-
	Interest paid	(879.65)	(748.60)
	Net cash from/ (used in) financing activities	**(813.55)**	**8,127.93**
	Net increase/(decrease) in cash and cash equivalents	**(32.24)**	**(9.04)**
	Cash and cash equivalents as at April 01, 2018	**120.52**	**129.56**
	Cash and cash equivalents as at March 31, 2019	**88.28**	**120.52**

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 11)
2. Figures in brackets represent outflows.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Statements of changes in Equity for the year ended 31st March, 2019

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	2,823.61
Changes in equity share capital during the year ended 31st March, 2018	-
Balance as at 31st March, 2018	2,823.61
Changes in equity share capital during the year ended 31st March, 2019	-
Balance as at 31st March, 2019	**2,823.61**

B. Other Equity

Statement of changes in Equity	Reserves and surplus			Retained earnings		Total Equity
	Security Premium	Amalgamation reserve	Statutory Reserve	General Reserve	Retained Earnings	
Balance at April 1,2017	17,732.19	412.09	0.46	4,998.82	13,415.31	36,558.87
Profit for the year	-	-	-	-	5,361.80	5,361.80
Add: Reserves and surplus of amalgamated entity	-	0.10	-	-	5.12	5.22
Less: Dividend and tax thereon	-	-	-	-	(169.92)	(169.92)
Other Comprehensive Income	-	-	-	-	26.41	26.41
Less: Tax on items taken to equity	-	-	-	-	(9.14)	(9.14)
Balance at March 31, 2018	**17,732.19**	**412.19**	**0.46**	**4,998.82**	**18,629.58**	**41,773.24**
Profit for the period	-	-	-	-	13,022.04	13,022.04
Add: Reserves and surplus of amalgamated entity	19,166.58	(47.50)	-	-	1.11	19,120.19
Less: Dividend and tax thereon	-	-	-	-	(339.84)	(339.84)
Other Comprehensive Income	-	-	-	-	2.67	2.67
Less: Tax on items taken to equity	-	-	-	-	(0.93)	(0.93)
Balance at March 31, 2019	**36,898.77**	**364.69**	**0.46**	**4,998.82**	**31,314.63**	**73,577.37**

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Note -01 Corporate information

Gallantt Ispat Limited ('the Company' / 'GIL'), incorporated in the year 2005, is engaged in the business of Iron & Steel, Agro, Power and Real Estate. The Company was promoted by M/s. Gallantt Metal Limited, Mr. Chandra Prakash Agrawal, Mr. Prem Prakash Agrawal, Mr. Nitin Mahavir Prasad Kandoi and M/s. Chandra Prakash Agrawal & Sons (HUF). Company floated its capital base by coming out with Initial Public Offerings of Equity Shares in the year 2010. Company is listed on both the premier stock exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.The Company is engaged in manufacturing of Steel and Steel products and having its manufacturing unit at GIDA, Sahajanwa, Dist Gorakhpur in the State of Uttar Pradesh.

Authorization of financial statements

The Standalone Financial Statements were authorized for issue in accordance with a resolution passed in Board of Directors meeting held on 29th April 2019.

Note -02 Significant Accounting Policies

1 Basis of measurement

The standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act (as amended from time to time).

These financial statement have been prepared on accrual basis of accounting using historical cost convention except certain financial assets, financial liabilities and share based payment measured at fair value.

2 Functional and presentation currency

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

3 Key estimates and assumptions

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

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

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

4 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

5 Property, Plant and Equipment (PPE)

Land, Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative

purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

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

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

Estimated useful lives of the assets are as follows:

Buildings	15 to 60 years
Plant and equipment	10 to 40 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Electrical Installations	10 Years
Computers	3 years
Two Wheelers	10 years
Motor Vehicles & Commercial Vehicles	8 years

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

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

6 Intangible Assets

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

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

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

7 Impairment of tangible and intangible assets other than goodwill

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

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

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

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of

an impairment loss is recognised immediately in profit and loss.

8 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

9 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

10 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

11 Financial Assets

i Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii Subsequent Measurement

Financial assets are subsequently / classified and measured at

a- amortised cost

b- fair value through profit and loss (FVTPL)

c- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis.Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

12 Financial Liabilities

i Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

ii Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

13 Offsetting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

14 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as

finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

16 Revenue recognition

i) Revenue from contracts with customer:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer. The Company assesses promises in the contract to identify separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the amount of consideration to which the Company expects to be entitled in exchange of goods. The transaction price includes Excise Duty, however it excludes amount collected on behalf of third parties such as Goods and Service Tax (GST), Value Added Tax (VAT) etc. which the Company collects on behalf of the government.

In determining the transaction price, the Company estimates the variable consideration to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company recognises revenue from each distinct good or service over time if the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs. Revenue from transmission of gas through pipeline is recognized over the period in which the related services are performed. Customers are billed on fortnightly basis.

ii) Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

iii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iv) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a resonable certainty of receiving the same, on ground of prudence.

17 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

18 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as

part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

19 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

20 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

21 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(₹ in lacs)

Property, plant and equipment	As at 31.03.2019	As at 31.03.2018
Land	2,073.28	2,047.79
Buildings	6,170.83	6,402.11
Plant and machinery	33,298.14	35,389.01
Electrical installation and Equipments	206.45	323.05
Furniture and fixtures	5.32	7.90
Office equipments	63.35	79.06
Motor vehicles	302.47	305.44
Computers	3.12	3.69
Railway sidings	494.63	554.55
Other Assets	1,626.06	1,762.52
Total	**44,243.66**	**46,875.12**

04.	Intangible assets (Acquired)	As at 31.03.2019	As at 31.03.2018
	Computer software	47.00	0.25
		47.00	**0.25**

Notes to the Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

Annexure to Note 03 & 4												
As at 31.03.2019	**Freehold Land**	**Freehold Buildings**	**Plant and Machinery**	**Electrical Installations and Equipments**	**Furniture and fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Railway sidings**	**Other assets**	**Total Tangible Assets**	**Total Inangible Assets**
Cost at beginning of period	2,047.79	7,823.03	44,838.59	1,036.28	23.05	120.80	522.62	57.07	900.91	2,097.15	59,467.29	8.19
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Additions	25.48	-	-	-	-	0.87	56.81	-	-	-	83.16	49.50
Disposals	-	-	-	-	-	-	(21.91)	-	-	-	(21.91)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Cost at end of period	**2,073.28**	**7,823.03**	**44,838.59**	**1,036.28**	**23.05**	**121.67**	**557.52**	**57.07**	**900.91**	**2,097.15**	**59,528.54**	**57.69**
Depreciation at beginning of period	-	1,420.92	9,449.58	713.23	15.14	41.74	217.18	53.38	346.37	334.63	12,592.17	7.94
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	231.29	2,090.87	116.59	2.58	16.58	49.27	0.57	59.91	136.46	2,704.13	2.74
Disposals	-	-	-	-	-	-	(11.41)	-	-	-	(11.41)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation at end of period	**-**	**1,652.20**	**11,540.45**	**829.82**	**17.72**	**58.32**	**255.04**	**53.94**	**406.28**	**471.09**	**15,284.88**	**10.69**
Net book value at beginning of period	**2,047.79**	**6,402.11**	**35,389.01**	**323.05**	**7.90**	**79.06**	**305.44**	**3.69**	**554.55**	**1,762.52**	**46,875.12**	**0.25**
Net book value at end of period	**2,073.28**	**6,170.83**	**33,298.14**	**206.45**	**5.32**	**63.35**	**302.47**	**3.12**	**494.63**	**1,626.06**	**44,243.66**	**47.00**

Notes to the Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

Annexure to Note 03 & 4												
As at 31.03.2018	**Freehold Land**	**Freehold Buildings**	**Plant and Machinery**	**Electrical Installations and Equipments**	**Furniture and fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Railway sidings**	**Other assets**	**Total Tangible Assets**	**Total Inangible Assets**
Cost at beginning of period	2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98	8.19
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Additions	26.05	2,399.59	21,164.38	-	-	67.16	224.89	0.23	-	1,249.16	25,131.47	-
Disposals	-	-	-	-	-	-	(7.16)	-	-	-	(7.16)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences capitalised	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on consolidation	-	(3,563.20)	3,348.31	-	-	-	-	-	-	214.89	-	-
Cost at end of period	**2,047.79**	**7,823.03**	**44,838.59**	**1,036.28**	**23.05**	**120.80**	**522.62**	**57.07**	**900.91**	**2,097.15**	**59,467.29**	**8.19**
Depreciation at beginning of period	-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67	7.79
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	178.14	1,469.58	116.59	2.58	5.32	37.77	2.30	59.91	82.33	1,954.53	0.15
Disposals	-	-	-	-	-	-	(5.03)	-	-	-	(5.03)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(581.78)	543.03	-	-	-	-	-	-	38.74	-	-
Depreciation at end of period	**-**	**1,420.92**	**9,449.58**	**713.23**	**15.14**	**41.74**	**217.18**	**53.38**	**346.37**	**334.63**	**12,592.17**	**7.94**
Net book value at beginning of period	**2,021.75**	**7,162.09**	**12,888.93**	**439.64**	**10.49**	**17.22**	**120.45**	**5.76**	**614.46**	**419.54**	**23,700.31**	**0.40**
Net book value at end of period	**2,047.79**	**6,402.11**	**35,389.01**	**323.05**	**7.90**	**79.06**	**305.44**	**3.69**	**554.55**	**1,762.52**	**46,875.12**	**0.25**

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
05.	**Non-current investments**		
(A)	**Investments in subsidiaries (carried at cost)**		
	Unquoted Investments (all fully paid)		
	Investments in Equity Instruments of		
	Shrinu Rolls & Milling Pvt. Ltd. (260000 Equity Shares at face value of ₹ 10 each)	-	201.42
	Satlaj Rolls & Milling Pvt. Ltd. (985340 Equity Shares at face value of ₹ 10 each)	-	55.90
	Antakmukh Steel Manufacturer Pvt. Ltd. (937900 Equity Shares at face value of ₹ 10 each)	-	53.76
	Bhavika Smeltors And Food Products Pvt. Ltd. (1003000 Equity Shares at face value of ₹ 10 each)	-	55.05
		-	**366.13**
(B)	**Investments in associates (carried at cost)**		
	Quoted Investments (all fully paid)		
	Investments in Equity Instruments of		
	Gallantt Metal Limited (39462895 Equity Shares at face value of ₹ 10 each)	4,267.98	4,267.98
(C)	**Other Investments**		
	Total Investments carrying value		
	Unquoted Investments (all fully paid)		
	Investments in Equity Instruments	-	-
	Total aggregate quoted investments	**4,267.98**	**4,634.11**
	Aggregate book value of quoted investments	4,267.98	4,267.98
	Aggregate book value of un'quoted investments	-	366.13
	Aggregate market value of quoted investments	19,317.09	15,903.55

06.	**Other non-current financial assets** (Unsecured Considered good)		
	Security deposit	0.68	0.87
		0.68	**0.87**

07.	**Other non-current assets**		
	Advance with public bodies		
	Excise	13.11	34.00
	Sales tax/Value added tax	12.46	14.12
	ESIC	38.37	38.37
	Others / Capital Advance	-	-
		63.94	**86.49**

08.	**Deferred tax balances**		
	The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:		
	Deferred tax assets	4,999.37	4,470.02
	Deferred tax liabilities	(3,836.91)	(3,281.77)
		1,162.46	**1,188.25**

Notes to the Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
09.	**Inventories (At lower of cost and net realisable value)**		
	Raw materials (At lower of cost and net realisable value)	8,668.95	8,003.56
	Finished products (At lower of cost and net realisable value)	1,498.36	2,432.96
	Stores and spare parts (At cost)	2,835.47	1,504.73
		13,002.79	**11,941.25**
	Land at real estate business	106.34	224.26
	Total inventories	**13,109.12**	**12,165.51**
10.	**Trade receivables**		
	Outstanding for a period of exceeding six months (from the date they were due for payment)		
	Considered good	337.48	350.03
	Considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		337.48	**350.03**
	Others		
	Considered good	7,525.77	4,405.89
	Considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		7,525.77	**4,405.89**
	Total Trade Receivable	**7,863.26**	**4,755.92**
11.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	82.94	111.21
	Balances with banks		
	In current accounts	5.34	9.31
	Total cash and cash equivalents	**88.28**	**120.52**
	Other bank balances		
	In current accounts (held for unpaid dividend)	1.29	0.52
	In deposit account (held as margin)	245.32	625.35
	Total Other bank balances	**246.61**	**625.87**
	Total cash and bank balances	**334.89**	**746.39**
	Included above		
	Earmarked balance for unpaid dividend	1.29	0.52
	Earmarked balance for margin against letters of credit	242.76	625.35
12.	**Other financial assets**		
	Incentive receivable from government (PICUP)	24,347.39	24,347.39
	(Refer Note No.- 45)		
	Loans & Advances	170.64	174.56
		24,518.02	**24,521.95**

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
13.	**Other current assets**		
	Advance with public bodies	-	-
	Other loans and advances		
	Advance to suppliers	2,859.27	1,288.12
	Other advances and prepayments		
	Prepayments	29.33	27.72
	Others	42.73	29.74
		72.05	**57.46**
		2,931.33	**1,345.58**

14.	**Share capital**		
	Authorised:		
	49,88,50,000 Equity Shares of ₹ 1 each (Previous year 4,66,85,000 Equity Shares of ₹ 10 each)	**4,988.50**	4,668.50
		4,988.50	4,668.50
	During the year M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited (all being Wholly Owned Subsidiaries of the Company) amalgamated with the Company. Pursuant to the Scheme of Amalagamation, Authorised Share Capital of these Companies amounting to ₹ 3,20,00,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 49,88,50,000 /-. During the year Company has sub-divided face value of per share from ₹ 10/- to ₹ 1/- each.		
	Issued, Subscribed and fully paid up:		
	28,23,60,720 Equity Shares of ₹ 1 each	**2,823.61**	2,823.61
	(As at March 31, 2018 : Issued, Subscribed and Paid up no. of Shares were 28,236,072 of ₹ 10/- each. During the year Company has sub-divided face value of per share from ₹ 10/- to ₹ 1/- and thereby no. of Issued, Subscribed and Paid up Shares increased from 2,82,36,072 (of ₹ 10/- each) to 28,23,60,720 (of ₹ 1/- each).		
		2,823.61	2,823.61

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

	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	**Amount ₹ Lacs**	No. of Shares	Amount ₹ Lacs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning & end of the year	**28,23,60,720**	**2,823.61**	2,82,36,072	2,823.61
Issued during the year	**-**	**-**	-	-
At end of the year	**28,23,60,720**	**2,823.61**	2,82,36,072	2,823.61

Notes to the Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

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

	As at 31.03.2019		As at 31.03.2018	
Name of Shareholders	**No. of Shares**	**%**	No. of Shares	%
Gallantt Metal Limited	**7,25,19,920**	**25.68%**	72,51,992	25.68%
Chandra Prakash Agrawal	**5,23,40,040**	**18.54%**	52,34,004	18.54%
AAR Commercial Co. Ltd.	**4,97,48,760**	**17.62%**	33,90,526	12.01%
Camellia Tradelink Private Limited*	**-**	**-**	15,84,350	5.61%
Wallstreet Distributor Private Limited	**1,92,58,290**	**6.82%**	11,04,744	3.91%

* During the year Camellia Tradelink Private Limited amalgamted with AAR Commercial Co. Ltd.

		As at 31.03.2019	As at 01.04.2018
15.	**Other Equity**		
	Securities premium	36,898.77	17,732.19
	Amalgamation reserve	364.69	412.19
	General reserve	4,998.82	4,998.82
	Statutory reserve	0.46	0.46
	Retained Earnings	31,314.63	18,629.58
		73,577.37	**41,773.24**
	Securities premium		
	Opening and closing balance	17,732.19	17,732.19
	Add: Security Premium of merged entity	19,166.58	-
	Closing balance	**36,898.77**	**17,732.19**
	Amalgamation reserve		
	Opening balance	412.19	412.09
	Add: Amalgmation reserve of merged entity	(47.50)	0.10
	Closing balance	**364.69**	**412.19**
	General reserve		
	Opening and closing balance	4,998.82	4,998.82
	Statutory reserve		
	Opening and closing balance	0.46	0.46
	Retained Earnings		
	Opening balance	18,629.58	13,415.31
	Profit for the period	**13,022.04**	**5,361.80**
	Add: Reserves and surplus of amalgamated entity	1.11	5.12
	Less: Dividend and tax thereon	(339.84)	(169.92)
	Other Comprehensive Income	2.67	26.41
	Tax impact on above	(0.93)	(9.14)
	Closing balance	**31,314.63**	**18,629.58**

16.	**Long-term Borrowings**		
	Deferred VAT/CST Payable (Interest free Loan)	9,568.80	9,491.64
	Term Loan	-	-
	From Banks (HDFC Bank Ltd)	2,464.42	2,870.09
	Less: Current Maturities of Term Loan	(448.56)	(412.34)
		2,015.85	2,457.75
		11,584.66	**11,949.39**

Company is availing a term loan of ₹ 3,000.00 lacs from HDFC Bank Ltd for plant and machineries for expansion of its capacity at GIDA, Sahjanwa, Gorakhpur.

(₹ in lacs)

Security:

* **Primary Security:** Term loan is securd by way of first pari passu charge by way of hypothecation of Plant & machineries and equipment acquired for expansion of project of the company.
* **Collateral Security:** Term loan is further secured by way of first pari passu charge with consortium banking arrangement member bank (SBI) by way equitable mortgage of the company's immovable property viz; Factory Land & Building at GIDA, Sahjanwa, Gorakhpur
* Loan is further secured by personal guarantee of Directors namely Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal, Mr. Prem Prakash Agrawal and Mr. Nitin Mahavir Prasad Kandoi.

Repayment:

Term loan is repayable in 72 equal monthly installments of ₹ 53.26 Lacs (including interest) and same started from 7th December 2017.

		As at 31.03.2019	As at 31.03.2018
17.	**Provisions**		
	Non-current		
	Provision for employee benefits	71.02	17.58
	Retirement gratuity	-	-
		71.02	**17.58**
18.	**Other Non-current Liabilities**		
	Deferred income (Capital subsidy)	1,241.96	1,359.30
		1,241.96	**1,359.30**
19.	**Current Borrowings**		
A.	**Secured - at amortised cost**		
	Repayable on demand		
	From banks		
	Cash credit	10,968.57	5,488.52
	Other loans - Current Maturity of Term Loan from HDFC		
	Current Maturity of Term Loan from HDFC	448.56	412.34
	Total secured borrowings	**11,417.13**	**5,900.86**
B.	**Un Secured - at amortised cost**		
	Unsecured loans	1,148.45	5,894.05
	Total unsecured borrowings	**1,148.45**	**5,894.05**
	Total borrowings	**12,565.58**	**11,794.91**

1. The above working capital loan from bank (SBI & HDFC) is secured by first pari Passu charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts- present and future.

   The loan is further secured by way of hypothecation of plant & machineries and equipment of the company alongwith consortium banking arrangement member bank (SBI)
2. The above working capital loan is further secured by the personal guarantee of Shri C. P. Agrawal, Shri P.P. Agarwal, Shri S.K. Agarwal and Shri Nitin Mahavir Prasad Kandoi.
3. The Company is enjoying Cash credit facilities(CC) from two Banks namely SBI & HDFC Bank Ltd. with sanction limit of ₹ 3,000.00 Lacs each. During the Year, Company has issued cheques of ₹ 8,489.50 Lacs which were not presented in bank, resulted in excess balance in cash credit account in compare to its sanction limit.

		As at 31.03.2019	As at 31.03.2018
20.	**Trade Payables**		
	Total outstanding dues of creditors (Refer Note no 44)	600.30	6,075.41
	Creditors for accrued wages and salaries	0.54	49.53
	Total trade payables	**600.84**	**6,124.94**

Notes to the Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		As at 31.03.2019	As at 01.04.2018
21.	**Other Current Financial Liabilities**		
	Unpaid dividends	1.29	0.52
	Total other current financial liabilities	**1.29**	**0.52**
22.	**Other Current Liabilities**		
	Advance received from customers	933.64	871.37
	Advance against property	15.00	19,077.00
	Employee recoveries and employer's contributions	15.94	7.08
	Statutory dues	794.80	454.39
	Other credit balances	533.14	1,415.42
	Total other liabilities	**2,292.52**	**21,825.26**

		For the year ended 31.03.2019	For the year ended 31.03.2018
23.	**Revenue from operations**		
	Sale of Products		
	Sale of finished goods	1,21,157.95	57,301.49
	Sale of other products	991.07	339.46
	Total Sale of Products	**1,22,149.02**	**57,640.95**
	Income from Real Estate Division	778.04	1,047.28
	Revenue from Operations (Net)	**1,22,927.06**	**58,688.23**
24.	**Other Income**		
	Interest income from fixed deposits	58.11	109.48
	Gain on foreign currency transactions (net)	-	8.86
	Miscellaneous income	42.66	34.55
	Dividend Income	103.73	-
	Total other income	**204.50**	**152.89**
25.	**Cost of materials consumed**		
	Raw materials consumed		
	Opening stock	8,003.56	3,053.11
	Add: Purchases	**94,160.76**	**48,268.16**
		1,02,164.32	51,321.27
	Less: Closing stock	8,668.95	8,003.56
		93,495.36	**43,317.71**
	Cost of land sold	117.92	143.70
	Total cost of materials consumed	**93,613.29**	**43,461.41**
26.	**CHANGES IN INVENTORIES OF FINISHED GOODS**		
	Inventories at the beginning of the year:		
	Finished Goods	2,432.96	439.89
	Work-in-progress	-	-
		2,432.96	**439.89**
	Inventories at the end of the year:		
	Finished Goods	1,498.36	2,432.96
	Work-in-progress	-	-
		1,498.36	2,432.96
	Net (increase)/decrease	**934.60**	**(1,993.06)**

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
27.	**Employee Benefit Expenses**		
	Salaries and wages, including bonus	2,344.59	1,259.30
	Contribution to Provident and other Fund	231.02	48.52
	Workmen and staff welfare expenses	57.34	32.82
	Total Employee Benefits Expenses	**2,632.95**	**1,340.64**
28.	**Financial costs**		
	Interest expense	879.65	748.61
	Bank charges	88.29	108.56
	Total financial costs	**967.94**	**857.17**
29.	**Depreciation Expenses**		
	Depreciation on tangible assets	2,706.87	1,954.53
	Less: Release from capital subsidy	(117.34)	(117.82)
	Total	**2,589.53**	**1,836.71**
30.	**Excise duty**		
	Excise duty on sale of finished products	-	1,142.78
	Total Excise duty	**-**	**1,142.78**
31.	**Other expenses**		
	Manufacturing Expenses:		
	Consumption of stores and spare parts	2,105.48	909.60
	Repairs to Plant & Machinery	526.37	227.40
	Repairs to others	195.15	205.05
	Handling Expenses	1,110.73	635.81
	Power & Fuel	793.41	2,371.97
	Packing Material Consumed	276.55	112.92
	Selling & Administration Expenses:		
	Rates, taxes and licenses	20.01	48.73
	Electricity expenses	26.81	23.97
	Insurance charges	44.78	50.70
	Environment expenses	395.60	226.02
	Selling and distribution expenses	776.01	327.02
	Legal and professioanl fee	115.83	54.20
	Travelling and conveyance expenses	115.27	87.93
	Telephone expenses	11.40	12.19
	Directors' remunertion	96.00	84.00
	Corporate social responsibility expenses	100.00	72.00
	Printing and stationery	11.72	4.09
	Loss on sale of fixed assets	1.64	0.24
	Audit Fees	3.55	3.55
	Other general expenses	213.24	56.13
	Total Other Expenses	**6,939.54**	**5,513.51**

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
32.	**Income tax recognised in profit and loss**		
	Current tax		
	In respect of the current year	3,584.49	1,431.67
	In respect of prior years	-	188.66
		3,584.49	**1,620.33**
	Deferred tax		
	Deferred Tax Liabilities pursuant to timing difference in respect of the current year	504.46	412.26
	Deferred Tax Assets pursuant to MAT Credit in respect of the current year	(479.61)	(712.43)
		24.85	**(300.17)**
	Total tax expense	**24.85**	**(300.17)**

33.	**Earnings per share**		
	Basic and diluted earnings per share		
	The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
	Profit for the year	13,022	5,362
	Weighted average number of equity shres for the purpose of basic earnings per share	28,23,60,720	2,82,36,072
	Basic & Diluted Earning per Share (₹)	**4.61**	**18.99**
	The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		
	During the year Company has sub-divided face value per share from ₹ 10/- to ₹ 1/- and thereby no. of Issued, Subscribed and Paid up Shares increased from 2,82,36,072 (of ₹ 10/- each) to 28,23,60,720 (of ₹ 1/- each). EPS of the current financial year has, accordingly, changed as per the incresed no. of paid up shares.		

34 Segment information

34.01 Products and services from which reportable segment derives their revenues

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Steel
- Power
- Agro
- Real Estate

The Company's chief operating decision maker is the Chairman & Managing Director.

Revenue and expenses directly attributable to segment are reported under each reportable segment. All other expenses which are not allocable to segments have been disclosed as Unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

(₹ in lacs)

34.02

	Segment Revenue		Segment Profit	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Agro	11,549.06	7,833.54	1,229.08	491.82
Steel	1,10,599.97	49,807.41	6,959.72	1,951.93
Power	19,961.21	8,342.62	7,762.60	4,306.78
Real Estate	778.04	1,047.28	660.11	903.58
Un-allocated income	204.50	152.89	-	-
	1,43,092.77	**67,183.74**	**16,611.50**	**7,654.11**
Inter-segment revene	19,961.21	8,342.62	-	-
Total Revenue	**1,23,131.56**	**58,841.12**	**16,611.50**	**7,654.11**

	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest costs	967.94	857.17
Unallocated expenses/(income)	189.86	114.97
Profit before exceptional items and tax	**15,453.71**	**6,681.97**
Exceptional items	1,177.68	-
Profit before tax	**16,631.38**	**6,681.97**
Tax expenses	3,609.34	1,320.16
Profit after tax	**13,022.04**	**5,361.80**

34.03 Capital Employed

	As at 31.03.2019	As at 31.03.2018
Agro	2,869.19	175.27
Steel	37,939.13	27,750.47
Power	18,433.06	6,869.82
Real Estate	2,695.01	778.35
Un-allocated income	14,464.58	9,022.94
	76,400.97	**44,596.85**

35 Employee Benefit Plans

35.01 Defined Contribution Plans

Employee benefits in the form of Providend Fund is considered as defined contribution plan and the contributions to Employees providend Fund organisation established under the Employee's Providend fund and Misc. Provision Act 1952 charges to the statement of Profit and Loss when the contribution to the respective funds are due.

35.02 Defined Benefit Plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

(₹ in lacs)

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

		For the year ended 31.03.2019	For the year ended 31.03.2018
Movement in the fair value of the plan assets			
	Opening fair value of plan assets	135.38	96.81
	Acquisition adjustment	(50.72)	-
	Interest income on plan assets	9.76	7.45
	Employer's contribution	85.77	34.23
	Return on plan assets greater / (lesser) than discount rate	(1.22)	(3.12)
	Benefits paid	-	-
	Closing fair value of plan assets	**178.97**	**135.38**
Movement in the present value of the defined benefit obligation			
	Opening defined benefit obligation	152.96	129.56
	Current service cost	89.14	37.69
	Interest cost	11.78	9.98
	Plan Amendments: Vested portion at end of period(Past Service)	-	5.26
	Remeasurement gain(loss)		
	Actuarial (gains)loss arising from changes in demographic assumptions	-	-
	Actuarial (gains)loss arising from changes in financial assumptions	2.17	(12.74)
	Actuarial (gains)loss arising from experience adjustments	(6.06)	(16.79)
	Benefits paid	-	-
	Exchange difference on foreign plans	-	-
	Closing defined benefit obligation	**249.99**	**152.96**
Components of defined benefit costs recognised:			
I.	**Components of defined benefit costs recognised in profit and loss**		
	Service Costs:		
	- Current service cost	89.14	37.69
	- Past service cost and (gain)/loss from settlements	-	5.26
	Net interest expenses	2.02	2.52
	Subtotal	**91.16**	**45.47**
II.	**Components of defined benefit costs recognised in other comprehensive income**		
	Remeasurement on the net defined benefit liability:		
	- Return on plan assets (excluding amounts included in net interest expense)	1.22	3.12
	- Actuarial (gains)loss arising from changes in demographic assumptions	-	-
	- Actuarial (gains)/loss arising from changes in financial assumptions	2.17	(12.74)
	- Actuarial (gains)/loss arising from experience adjustments	(6.06)	(16.79)
	Adjustments for restrictions on the defined benefit asset	-	-
	Subtotal	**(2.67)**	**(26.41)**
	Total defined benefit cost recognised	**88.49**	**19.06**

(₹ in lacs)

	As at 31.03.2019	As at 31.03.2018
Amount included in the standalone balance sheet arising from defined benefit plan obligation		
Present value of funded defined benefit obligation	249.99	152.96
Fair value of plan assets	(178.97)	(135.38)
Funded status	**71.03**	**17.58**
Net liability arising from defined benefit obligation	**71.03**	**17.58**
Principal assumption used for the purpose of the actuarial valuation		
Mortality Table	IALM. (2006-08) Ultimate	IALM. (2006-08) Ultimate
Discount rate	7.65%	7.70%
Expected rate(s) of salary income	9.00%	9.00%

Sensitivity Ananlysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31.03.2019	
	(Increase)	(Decrease)
Discount Rate (1% movement)	210.77	299.09
Salary esclation rate (1% movement)	296.27	211.28
Withdrawal Rate (1% movement)	243.01	257.99

36 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes [16] and [19] offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2019	As at 31.03.2018
Debt		
Current borrowings	12,565.58	11,794.91
Cash and bank balances	88.28	120.52
Net debt	**12,477.30**	**11,674.39**
Total equity	**2,823.61**	**2,823.61**
Equity ehare capital	73,577.37	41,773.24
Other equity	76,400.97	44,596.85
Net debt to equity ratio	**0.16**	**0.26**

37 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

(₹ in lacs)

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

37.01 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

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

	Currency	As at 31.03.2019	As at 31.03.2018
Financial Liabilities			
Hedged			
Trade Paybale	USD	-	-
	INR	-	-
Unhedged			
Trade Paybale	USD	1.80	65.29
	INR	125.66	4,252.90

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

37.02 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

(₹ in lacs)

The ageing of trade receivables that were not impaired was as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
More than Six months	337.48	350.03
Others	7,525.77	4,405.89
	7,863.26	**4,755.92**

37.03 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

38 RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)

Name of Related Party and Description of Relationship:

I.	Associate or Subsidiary Company / Entity under common Control	Gallantt Metal Ltd
		Chandra Prakash Agrawal & Sons (HUF)
		Prem Prakash Agrawal HUF
		Santosh Kumar Agrawal HUF
		Bhavika Smeltors and Food Products Private Limited*
		Shrinu Rolls and Milling Private Limited*
		Satlaj Rolls and Milling Private Limited*
		Antarmukh Steel Manufacturer Private Limited*
		Gallantt Foundation
II.	Key Managerial Personnel	Mr. Chandra Prakash Agrawal, Chairman & Managing Director
		Mr. Prem Prakash Agrawal, Whole Time Director
		Mr. Nitin Mahavir Prasad Kandoi, Whole Time Director
		Mr. Santosh Kumar Agrawal, Whole Time Director
		Mr. Mayank Agrawal, Chief Executive Officer
		Mr. Amit Jalan, Chief Financial Officer
		Mr. Nitesh Kumar, Company Secretary
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal (Wife of Mr. Chandra Prakash Agrawal)
		Mr. Ashutosh Agrawal (Son of Mr. Santosh Kumar Agrawal)
		Mrs. Smriti Agrawal (Daughter in Law of Mr. Santosh Kumar Agrawal)
		Mrs. Shyama Agrawal (Wife of Mr. Prem Prakash)
		Mrs. Shruti Kandoi (Wife of Mr. Nitin Mahavir Prasad Kandoi)
		Mrs. Pallavi Agrawal (Wife of Mr. Mayank Agrawal)
		Mrs. Uma Agrawal (Wife of Mr. Santosh Kumar Agrawal)

(₹ in lacs)

* M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited were wholly owned subsidiaries. By the order dated October 31, 2018 passed by Office of the Regional Director (ER), Ministry of Corporate Affairs, these Wholly Owned Subsidiaries amalgamated with the Company.

Related Party Transaction:

Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	-	138.94	67.20	206.14
	-	(116.81)	(63.00)	(179.81)
Rent Paid	-	-	0.12	0.12
	-	-	-	-
Purchase	22.81	-	-	22.81
	(22.12)	-	-	(22.12)
Sale	84.89	-	-	84.89
	(14.24)	-	(3.28)	(17.52)
Loan Taken	600.00	-	-	600.00
	-	-	-	-
Loan Given	750.00	-	-	750.00
	-	-	-	-
Advance Received Against Land	-	-	-	-
	(6,902.00)	-	-	(6,902.00)
Interest Paid	0.01	-	-	0.01
	-	-	-	-
CSR Expenses contributed	-	-	-	-
	(72.00)	-	-	(72.00)
Medical Expenses Reimbursed	-	-	-	-
	-	(3.00)	-	(3.00)
Outstanding balances, including commitment (Amount payable)	-	-	-	-
	-	-	-	-

The Amount Shown in Bracket ( ) Denotes Previous year figure

39 Fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimare the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of finnacial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

(₹ in lacs)

	As at 31.03.2019	As at 31.03.2018
Financial Assets:		
Investment - Non-current	4,267.98	4,634.11
Security deposits - Non-current	0.68	0.87
Trade receivables	7,863.26	4,755.92
Cash and cash equivalents	88.28	120.52
Other bank balances	246.61	625.87
Loan - Current	170.64	174.56
Other Financial assets - Current	24,347.39	24,347.39
Total	**36,984.84**	**34,659.24**
Financial Liabilities		
Borrowings - Current	12,565.58	11,794.91
Trade payable	600.84	6,124.94
Derivative financial liabilities	-	-
Other financial liabilities	1.29	0.52
Total	**13,167.72**	**17,920.37**

40 Contingent liabilities

		As at 31.03.2019
(i)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00
(ii)	Guarantee given by the bank on behalf of the Company to FA & CAO Paradeep Port Trust	25.37
(iii)	Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00
(iv)	Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00
(v)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	38.31
(vi)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	18.57
(vii)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	131.00
(viii)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	240.00
(ix)	Guarantee given by the bank on behalf of the Company to Linde India Limited.	10.00

Sub Notes:

1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

41 Corporate Social Responsibilty Contribution (CSR Expenses)

	As at 31.03.2019	As at 31.03.2018
a) Gross amount required to be spent by the company during the year	97.09	70.50
b) Amount spent during the year on		
Contribution to a trust Gyan Ved Foundation	100.00	-
Contribution to a trust i.e Gallantt Foundation	-	72.00

(₹ in lacs)

42 Subsequent Events

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

43 Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

44 Disclosure as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

We have received few intimation from suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006. As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2019 amount due to the Micro, Small and Medium Enterprises was paid within the appointed day as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

45 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time, the company is eligible for Interest free loan equivalent to the amount of VAT, CST & SGST liability for 15 years and which shall be re-payable after 15 year. The company has claimed ₹ 10,828.03 lacs up to 30th June 2017 on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 10,828.03 lacs, ₹ 9,255.64 lacs has not been deposited to Commercial Tax department in accordance with order of Hon'ble High Court of Allahabad in writ petition no. 8886/2011, and order in writ petition no. 21103 dated 22.03.2018. However, ₹ 1,572.39 Lacs have already been deposited upto August, 2011.

Further as the GST act has replaced the VAT and CST w.e.f. 01.07.2017, Company has paid total amount of ₹ 8,426.75 Lacs as SGST to the State Government account, out of this an amount of ₹ 3,194.85 Lacs (previous year ₹ 1,049.54 Lacs) has been considered on taxable turnover of old unit which is eligible for interest free loan. Balance amount of SGST ₹ 5,231.90 Lacs has been considered on taxable turnover of expansion. Company has worked out the taxable turnover and interest free loan from the old unit as per the provision of GO no. 2941 dated 30.11.2006 & GO no. 2052 dated 02.11.2016 under Industrial Promotional Scheme 2006 & 2012 of the State Government of Uttar Pradesh. Therefore, the total amount refundable as intrerest free loan is ₹ 4,244.39 Lacs (upto previous year ₹1,049.54 Lacs).

46 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time, the company is eligible for incentives i.e. Capital investment subsidy @ 20% of fixed capital investment, infrastructure subsidy @ 10% of total fixed capital investment and 5% additional capital subsidy being the first unit in Purvanchal region. Company has claimed for ₹ 12,262.00 lacs against the capital investment made upto 31st May 2012. The incentive received of ₹ 2,428.00 Lacs has been credited in fixed assets in the ratio of capital investment made. No provision has been made for the unrealized claim of ₹ 9,834.00 lacs in the books.

47 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. The total amount of freight subsidy is restrcited to 65% of the total capital investment under the scheme that comes ₹ 22,775.00 Lacs. Since company has already claimed ₹ 22,775.00 lacs till March 2018 as such no amount is available to be claimed as freight subsidy during the year and onward.

48 During the financial year 2017-18 company has started commercial production w.e.f 01.12.2017 from its new expansion project at GIDA Sahjanwa, which has been established under Industrial Development Policy 2012 of State Government of Uttar Pradesh, which provides refund of 80% of the SGST amount deposited in State Government account. A total amount of ₹ 8,426.75 Lacs has been paid as SGST during the year (in previous year from 1st December 2017 to March 31, 2018 ₹ 1,931.61 Lacs has been paid). Out of this amount ₹3,194.85 Lacs is considered on taxable turnover from the old unit and balance ₹ 5,231.90 Lacs is considered on taxable turnover of expansion. As per Scheme Company is entitled for refund of 80% of the amount deposited as SGST

(₹ in lacs)

which comes at ₹ 4,185.52 Lacs for the period (₹ 705.65 Lacs for the previous year). Since our application is not yet processed and accepted by the appropriate authirties of State Government of Uttar Pradesh till date as such these amounts has not been recognised as income in the books of account.

49 Vide its order dated October 31, 2018, Office of the Regional Director (ER), Ministry of Corporate Affairs has sanctioned Scheme of amalgamation of four Wholly Owned Subsidiaries viz. M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited with the Company. All the transferor Companies were Wholly Owned Subsidiaries of the Company and hence, no shares were allotted under the amalgamtion and shareholding of the Company in the Wholly Owned Subsidiaries stand cancelled. Pursuant to the Scheme of Amalagamation, Authorised Share Capital of these Companies amounting to ₹ 3,20,00,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 49,88,50,000 /-**.**

50 Company had made provision for exceptional income of ₹1,177.68.Lacs arising out of and based on the Order of Honorable Supreme Court in matter of electricity duty rebate dispute pending with Uttar Pradesh Power Corporation Limited (hereinafter referred to as the "UPPCL"). As per the Order of Honorable Supreme Court, Company is eligible to avail electricity duty rebate and interest, if any, paid on the electricity duty. The UPPCL has passed an internal order and adjusted this amount of electricity duty and interest paid on electricity duty (total to the tune of ₹ 1,177.68 Lacs) has been adjusted against the payment of electricity purchased from the UPPCL.

51 In accordance with the approval of the shareholders of the Company through Special Resolution at the Extra-ordinary General Meeting held on Friday, 27th July, 2018, Company has sub-divided Face Value of Equity Shares from ₹ 10/- each to Re. 1/- each as per Section 61(1)(d) of the Companies Act, 2013. Board of Directors of the Company had fixed August 08, 2018 as Record Date for the purposes of Sub Division of existing equity shares from every ONE equity share of ₹10/- each into TEN equity shares of Re.1/- each. After sub-division of Shares as above new ISIN was granted to the Equity Shares of the Company. New ISIN is - INE528K01029. Shares with new face value of Re. 1/- each were credited into the Beneficiary Account of the Shareholders under the new ISIN. Company has complied with necessary formalities in this respect.

52 In accordance with the approval of the shareholders of the Company through Special Resolution at the Extra-ordinary General Meeting held on Friday, 4th January, 2019, Company has approved shifting of Registered Office of the Company from the State of West Bengal to the National Capital Territory of Delhi. Office of the Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 has approved the shifting of Regsitered Office as above. Company is complying with requisite formalities in this behalf.

53 The Company has only one class of Equity Shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. During the year, the amount of per share dividend (interim) paid to equity shareholders was 5 paise only per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders. The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

54 The Company for the period of five years immediately preceding the date of Balance Sheet has:

i.on June 26, 2015, Allotted 92,15,159 equity shares as fully paid and cancelled 1,02,45,592 equity shares pursuant to Scheme of Amalgamation without payment being received in cash.

ii. Not allotted fully paid up shares by way of bonus shares

iii. Not bought back any class of shares.

55 There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder. During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014**.**

(₹ in lacs)

56 During the year, Company has purchased as well as sold electricity from/to the State Government of Uttar Pradesh. Net of Purchase and Sale has been accounted for in the Books of Accounts of the Company under the head Other Expenditure (sub-head Manufacturng Expenses).

57 Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on Consolidated Financial Statements

TO THE MEMBERS OF

GALLANTT ISPAT LIMITED

Report on the consolidated Ind AS financial statements

Opinion

We have audited the accompanying consolidated IND AS financial statements of **GALLANTT ISPAT LIMITED** ('The Company') and its associates (together referred to as "the Group) which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss(including other comprehensive income), the consolidated statement of changes in equity and the consolidated Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements"), which we have signed under reference to this report.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the consolidated financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which

have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

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

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

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

Other Matters

We did not audit the financial results/statements and other financial information of one associate company included in the consolidated annual financial results, whose financial statements reflect for the year ended 31st March, 2019:

Independent Auditor's Report on Consolidated Financial Statements

(Rs. In Lakh)

Name of Company	Total Assets	Total Revenue	Net Cash Inflow/ (Outflow)	Group Share in Net Profit/ (Loss)	Group Share in Other Comprehensive Income
Associate Company					
Gallantt Metal Limited	56,374.58	1,06,918.74	(298.86)	3,356.85	2.74

These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the annual consolidated Ind AS financial results, to the extent they have been derived from such annual financial statements of associates is based solely on the report of such other auditors. Our opinion is not modified in respect of these matters.

Report on other legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note no 40 to the financial statements.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate incorporated in India..

2. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the auditor's report on Consolidated IND AS Financial Statements.

For **Anoop Agarwal & Co.**
Chartered Accountants
Firm Reg. no. 001739C
(CA Amit Kumar Srivastava)
Partner
Membership No. 517195

Place: Gorakhpur
Dated: April 29, 2019

Annexure A to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated IND AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **GALLANTT ISPAT LIMITED** ('the Company') and its associate companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company, its associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such

internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one associate which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

FFor **Anoop Agarwal & Co.**

Chartered Accountants

Firm Reg. no. 001739C

(CA Amit Kumar Srivastava)

Partner

Membership No. 517195

Place: Gorakhpur

Dated: April 29, 2019

Consolidated Balance Sheet as at 31st March, 2019

(₹ in lacs)

	Notes	As at 31.03.2019	As at 31.03.2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	03	44,243.66	46,875.12
(b) Intangible assets	04	47.00	0.25
(c) Capital work in progress		6,007.29	1,111.71
		50,297.96	**47,987.08**
(d) Financial assets			
(i) Investments	05		
a) Investments in subsidiaries		-	-
b) Investments in associates		23,364.29	16,454.12
c) Other investments		-	-
(ii) Other financial assets	06	0.68	0.87
(e) Other non-current assets	07	63.94	86.49
(f) Deferred tax assets (Net)	08	1,162.46	1,188.25
(g) Advance Income tax assets (net)		209.20	237.33
		75,098.53	**65,954.14**
(2) Current Assets			
(a) Inventories	09	13,109.12	12,165.51
(b) Financial assets			
(i) Trade receivables	10	7,863.26	5,188.39
(ii) Cash and cash equivalent	11	88.28	136.49
(iii) Other balances with Bank	11	246.61	625.87
(iv) Other financial assets	12	24,518.02	24,522.95
(c) Other current assets	13	2,931.33	1,345.58
		48,756.62	**43,984.80**
TOTAL ASSETS		**1,23,855.16**	**1,09,938.94**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	14	2,823.61	2,823.61
(b) Other equity	15	92,673.67	73,079.40
		95,497.28	**75,903.01**
(2) Non-current liabilities			
(a) Borrowings	16	11,584.66	11,949.39
(b) Provisions	17	71.02	17.58
(c) Other non-current liabilities	18	1,241.96	1,359.30
		12,897.64	**13,326.27**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	12,565.58	11,794.91
(ii) Trade payables	20	600.84	6,124.94
(iii) Other financial liabilities	21	1.29	0.52
(b) Other current liabilities	22	2,292.52	2,788.41
(c) Current Income tax liabilities (net)		-	0.88
		15,460.24	**20,709.66**
TOTAL EQUITY AND LIABILITIES		**1,23,855.16**	**1,09,938.94**

See accompanying notes forming part of the financial statements 1-57

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2019

(₹ in lacs)

	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
(1) Revenue from operations	23	1,22,927.06	58,688.23
(2) Other income	24	204.50	158.63
(3) Total Revenue (1) + (2)		**1,23,131.56**	**58,846.86**
(4) EXPENSES			
Cost of materials consumed	25	93,613.29	43,461.41
Changes in inventories of finished products	26	934.60	(1,993.06)
Employee Benefit Expenses	27	2,632.95	1,343.40
Financial Costs	28	967.94	857.17
Depreciation expense	29	2,589.53	1,836.71
Excise duty	30	-	1,142.78
Other expenses	31	6,939.54	5,516.27
Total Expenses (4)		1,07,677.85	52,164.68
(5) Profit before exceptional items (3) - (4)		**15,453.71**	**6,682.18**
(6) Exceptional items			
Exceptional items		1,177.68	-
(7) Profit before tax (5) - (6)		**16,631.38**	**6,682.18**
(8) Tax Expense			
Current tax		3,584.49	1,620.48
Deferred tax		24.85	(300.17)
Total tax expense (8)		**3,609.34**	**1,320.31**
(9) Profit for the period (7) - (8)		**13,022.04**	**5,361.87**
Share of Profit from Associates		3,356.85	2,393.95
Profit for the period		**16,378.89**	**7,755.82**
(10) Other comprehensive income			
Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		2.67	26.41
(ii) Income tax relating to items that will not be reclassifed to profit and loss		(0.93)	(9.14)
(iii) Share of OCI from Associates		2.74	(1.61)
Total other comprehensive income (10)		**4.47**	**15.66**
(11) Total comprehensive income for the period (9) + (10)		**16,383.37**	**7,771.48**
(12) Earnings per equity share: (Face value of share of ₹ 1 each)			
Basic & Diluted (₹)		5.80	27.47

See accompanying notes forming part of the financial statements 1-57

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(Amit Jalan)
Chief Financial Officer

(S.K. Agrawal)
Whole time Director

(Nitesh Kumar)
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in lacs)

	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Cash Flow from Operating activities:		
Profit for the period	13,022.04	5,361.87
Adjustments for:		
Income tax expenses recognised in the statement of profit and loss	3,609.34	1,320.31
Depreciation expense	2,589.53	1,836.71
Interest income	(58.11)	(109.48)
Interest expenses	879.65	748.61
Remeasurement Gain / (Loss) on defined benefit plan	4.47	17.27
(Profit)/loss on sale of property, plant & equipments	1.64	0.24
Operating profit before working capital changes	**20,048.56**	**9,175.52**
Adjustments for (increase)/decrease in operating assets		
Inventories	(943.61)	(7,076.12)
Trade receivables	(2,674.86)	(3,169.75)
Non-current financial Assets	0.19	0.08
Other non-current assets	54.07	(9.71)
Current financial assets	4.93	(3,999.16)
Other current assets	(1,468.21)	1,260.99
Adjustments for increase/(decrease) in operating liabilities		
Non-current liabilities		
Trade Payables	(5,524.10)	5,320.95
Current financial liabilities	0.77	-
Other non-current liabilities	(117.34)	-
Other current liabilities	(495.89)	9,598.95
Provisions	53.44	0.44
Amalgamation Adjustments	(2.72)	-
Cash generated from operations	**8,935.23**	**11,102.19**
Direct taxes paid	(3,587.87)	(1,459.79)
Net cash generated from operating activities	**5,347.35**	**9,642.40**
B. Cash Flow from Investing activities:		
Purchase of property, plant & equipment	(5,028.25)	(15,644.56)
Sale of property, plant & equipment	8.86	1.90
Purchase of investments in associates	-	(2,392.34)
Purchase of other investments	-	421.56
Movement in loans and advances	-	72.89
Movement in fixed deposit held as margin	380.03	(418.61)
Movement in bank balance on account of unpaid dividend	(0.77)	0.72
Interest received	58.11	109.48
Net cash from/ (used in) investing activities	**(4,582.02)**	**(17,848.96)**

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
C.	**Cash Flow from Financing activities:**		
	Proceeds from long-term loans	(364.73)	1,584.61
	Proceeds from /(Repayment against) working capital borrowings (net)	770.67	1,397.87
	Proceeds from unsecured loans	-	5,894.05
	Dividend & DDT Paid	(339.84)	-
	Interest paid	(879.65)	(748.60)
	Net cash from/ (used in) financing activities	**(813.55)**	**8,127.93**
	Net increase/(decrease) in cash and cash equivalents	**(48.21)**	**(78.63)**
	Cash and cash equivalents as at 1 April 2018	**136.49**	**215.12**
	Cash and cash equivalents as at 31 March 2019	**88.28**	**136.49**

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 11)
2. Figures in brackets represent outflows.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Consolidated Statements of changes in Equity for the year ended 31st March, 2019

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1 April 2017	2,823.61
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31 March 2018	2,823.61
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at 31 March 2019	**2,823.61**

B. Other Equity

Statement of changes in Equity	Reserves and surplus				Retained earnings		Total Equity
	Security Premium	Amalgamation reserve	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings	
Balance at April 1,2017	17,732.19	412.09	0.46	8,479.64	4,998.82	14,732.96	46,356.16
Profit for the year	-	-	-	-	-	7,755.82	7,755.82
Add: Reserves and surplus of amalgamated entity	-	0.10	-	19,119.95	-	5.11	19,125.16
Less: Dividend and tax thereon	-	-	-	-	-	(169.92)	(169.92)
Ind As Adjustment	-	-	-	-	-	(5.09)	(5.09)
Other Comprehensive Income	-	-	-	-	-	26.41	26.41
Less: Tax on items taken to equity	-	-	-	-	-	(9.14)	(9.14)
Balance at March 31, 2018	**17,732.19**	**412.19**	**0.46**	**27,599.59**	**4,998.82**	**22,336.15**	**73,079.40**
Profit for the period	-	-	-	-	-	16,378.89	16,378.89
Add: Reserves and surplus of amalgamated entity	19,166.58	(47.50)	-	(15,569.37)	-	1.11	3,550.82
Less: Dividend and tax thereon	-	-	-	-	-	(339.84)	(339.84)
Ind As Adjustment	-	-	-	-	-	(0.07)	(0.07)
Other Comprehensive Income	-	-	-	-	-	5.41	5.41
Less: Tax on items taken to equity	-	-	-	-	-	(0.93)	(0.93)
Balance at March 31, 2019	**36,898.77**	**364.69**	**0.46**	**12,030.22**	**4,998.82**	**38,380.72**	**92,673.67**

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Note -01 Corporate information

Gallantt Ispat Limited ('the Company' / 'GIL'), incorporated in the year 2005, is engaged in the business of Iron & Steel, Agro, Power and Real Estate. The Company was promoted by M/s. Gallantt Metal Limited, Mr. Chandra Prakash Agrawal, Mr. Prem Prakash Agrawal, Mr. Nitin Mahavir Prasad Kandoi and M/s. Chandra Prakash Agrawal & Sons (HUF). Company floated its capital base by coming out with Initial Public Offerings of Equity Shares in the year 2010. Company is listed on both the premier stock exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.The Company is engaged in manufacturing of Steel and Steel products and having its manufacturing unit at GIDA, Sahajanwa, Dist Gorakhpur in the State of Uttar Pradesh.

Authorization of financial statements

The Consolidated Financial Statements were authorized for issue in accordance with a resolution passed in Board of Directors meeting held on 29th April 2019.

Note -02 Significant Accounting Policies

1 Basis of measurement

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and relevant provisions of the Act (as amended from time to time).

These financial statement have been prepared on accrual basis of accounting using historical cost convention except certain financial assets, financial liabilities and share based payment measured at fair value.

2 Functional and presentation currency

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

3 Key estimates and assumptions

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

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

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

4 Measurement of fair values

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

5 Property, Plant and Equipment (PPE)

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

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

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

Estimated useful lives of the assets are as follows:

Buildings	15 to 60 years
Plant and equipment	10 to 40 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Electrical Installations	10 Years
Computers	3 years
Two Wheelers	10 years
Motor Vehicles & Commercial	8 years

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

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

6 Intangible Assets

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

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

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

7 Impairment of tangible and intangible assets other than goodwill

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

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

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

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

amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

8 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

9 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

10 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

11 Financial Assets

i Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii Subsequent Measurement

Financial assets are subsequently / classified and measured at

a- amortised cost

b- fair value through profit and loss (FVTPL)

c- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently

measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

(c) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis.Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii Impairment of Financial asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

12 Financial Liabilities

i Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

ii Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

13 Offeseting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

14 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

15 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

16 Revenue recognition

i) Revenue from contracts with customer:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer. The Company assesses promises in the contract to identify separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the amount of consideration to which the Company expects to be entitled in exchange of goods. The transaction price includes Excise Duty, however it excludes amount collected on behalf of third parties such as Goods and Service Tax (GST), Value Added Tax (VAT) etc. which the Company collects on behalf of the government.

In determining the transaction price, the Company estimates the variable consideration to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company recognises revenue from each distinct good or service over time if the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs. Revenue from transmission of gas through pipeline is recognized over the period in which the related services are performed. Customers are billed on fortnightly basis.

Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a resonable certainty of receiving the same, on ground of prudence.

17 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than

derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

18 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

19 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

20 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income

tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

21 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(₹ in lacs)

03.	**Property, plant and equipment**		
		As at 31.03.2019	**As at 31.03.2018**
Carrying amount of:			
	Land	2,073.28	2,047.79
	Buildings	6,170.83	6,402.11
	Plant and machinery	33,298.14	35,389.01
	Electrical installation and Equipments	206.45	323.05
	Furniture and fixtures	5.32	7.90
	Office equipments	63.35	79.06
	Motor vehicles	302.47	305.44
	Computers	3.12	3.69
	Railway sidings	494.63	554.55
	Other Assets	1,626.06	1,762.52
	Total	**44,243.66**	**46,875.12**

04.	**Intangible assets (Acquired)**		
	Computer software	47.00	0.25
		47.00	**0.25**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

Annexure to Note 03 & 4												
As at 31.03.2019	**Freehold Land**	**Freehold Buildings**	**Plant and Machinery**	**Electrical Installations and Equipments**	**Furniture and fixtures**	**Office Equipments**	**Vehicles**	**Computers**	**Railway sidings**	**Other assets**	**Total Tangible Assets**	**Total Inangible Assets**
Cost at beginning of period	2,047.79	7,823.03	44,838.59	1,036.28	23.05	120.80	522.62	57.07	900.91	2,097.15	59,467.29	8.19
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Additions	25.48	-	-	-	-	0.87	56.81	-	-	-	83.16	49.50
Disposals	-	-	-	-	-	-	(21.91)	-	-	-	(21.91)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Cost at end of period	**2,073.28**	**7,823.03**	**44,838.59**	**1,036.28**	**23.05**	**121.67**	**557.52**	**57.07**	**900.91**	**2,097.15**	**59,528.54**	**57.69**
Depreciation at beginning of period	-	1,420.92	9,449.58	713.23	15.14	41.74	217.18	53.38	346.37	334.63	12,592.17	7.94
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	231.29	2,090.87	116.59	2.58	16.58	49.27	0.57	59.91	136.46	2,704.13	2.74
Disposals	-	-	-	-	-	-	(11.41)	-	-	-	(11.41)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation at end of period	**-**	**1,652.20**	**11,540.45**	**829.82**	**17.72**	**58.32**	**255.04**	**53.94**	**406.28**	**471.09**	**15,284.88**	**10.69**
Net book value at beginning of period	**2,047.79**	**6,402.11**	**35,389.01**	**323.05**	**7.90**	**79.06**	**305.44**	**3.69**	**554.55**	**1,762.52**	**46,875.12**	**0.25**
Net book value at end of period	**2,073.28**	**6,170.83**	**33,298.14**	**206.45**	**5.32**	**63.35**	**302.47**	**3.12**	**494.63**	**1,626.06**	**44,243.66**	**47.00**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

Annexure to Note 03 & 4												
As at 31.03.2018	Freehold Land	Freehold Buildings	Plant and Machinery	Electrical Installations and Equipments	Furniture and fixtures	Office Equipments	Vehicles	Computers	Railway sidings	Other assets	Total Tangible Assets	Total Inangible Assets
Cost at beginning of period	2,021.75	8,986.64	20,325.90	1,036.28	23.05	53.63	304.89	56.83	900.91	633.10	34,342.98	8.19
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Additions	26.05	2,399.59	21,164.38	-	-	67.16	224.89	0.23	-	1,249.16	25,131.47	-
Disposals	-	-	-	-	-	-	(7.16)	-	-	-	(7.16)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences capitalised	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on consolidation	-	(3,563.20)	3,348.31	-	-	-	-	-	-	214.89	-	-
Cost at end of period	**2,047.79**	**7,823.03**	**44,838.59**	**1,036.28**	**23.05**	**120.80**	**522.62**	**57.07**	**900.91**	**2,097.15**	**59,467.29**	**8.19**
Depreciation at beginning of period	-	1,824.55	7,436.96	596.64	12.56	36.42	184.44	51.08	286.46	213.56	10,642.67	7.79
Additions relating to acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the period	-	178.14	1,469.58	116.59	2.58	5.32	37.77	2.30	59.91	82.33	1,954.53	0.15
Disposals	-	-	-	-	-	-	(5.03)	-	-	-	(5.03)	-
Disposal of group undertakings	-	-	-	-	-	-	-	-	-	-	-	-
Transfers between group companies	-	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications (Transfers in / out)	-	(581.78)	543.03	-	-	-	-	-	-	38.74	-	-
Depreciation at end of period	**-**	**1,420.92**	**9,449.58**	**713.23**	**15.14**	**41.74**	**217.18**	**53.38**	**346.37**	**334.63**	**12,592.17**	**7.94**
Net book value at beginning of period	**2,021.75**	**7,162.09**	**12,888.93**	**439.64**	**10.49**	**17.22**	**120.45**	**5.76**	**614.46**	**419.54**	**23,700.31**	**0.40**
Net book value at end of period	**2,047.79**	**6,402.11**	**35,389.01**	**323.05**	**7.90**	**79.06**	**305.44**	**3.69**	**554.55**	**1,762.52**	**46,875.12**	**0.25**

		As at 31.03.2019	As at 31.03.2018
05.	**Non-current investments**		
(A)	**Investments in subsidiaries (carried at cost)**		
(B)	**Investments in associates (carried at cost)**		
	Quoted Investments (all fully paid)		
	Investments in Equity Instruments of		
	Gallantt Metal Limited at face value of Rs. 10 each. (39462895)	23,364.29	16,454.12
(C)	**Other Investments**		
	Total Investments carrying value		
	Unquoted Investments (all fully paid)		
	Investments in Equity Instruments		
	Total aggregate quoted investments	**23,364.29**	**16,454.12**
	Aggregate book value of quoted investments	**23,364.29**	**16,454.12**
	Aggregate book value of un'quoted investments	**-**	**-**
	Aggregate market value of quoted investments	19,317.09	15,903.55

06.	**Other non-current financial assets** (Unsecured Considered good)		
	Security deposits	0.68	0.87
		0.68	**0.87**

07.	**Other non-current assets**		
	Advance with public bodies		
	Excise	13.11	34.00
	Sales tax/Value added tax	12.46	14.12
	ESIC	38.37	38.37
	Others / Capital Advance	-	-
		63.94	**86.49**

08.	**Deferred tax balances**		
	The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:		
	Deferred tax assets	4,999.37	4,470.02
	Deferred tax liabilities	(3,836.91)	(3,281.77)
		1,162.46	**1,188.25**

09.	**Inventories (At lower of cost and net realisable value)**		
	Raw materials (At lower of cost and net realisable value)	8,668.95	8,003.56
	Finished products (At lower of cost and net realisable value)	1,498.36	2,432.96
	Stores and spare parts (At cost)	2,835.47	1,504.73
		13,002.78	**11,941.25**
	Land at real estate business	106.34	224.26
	Total inventories	**13,109.12**	**12,165.51**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
10.	**Trade receivables (Current)**		
	Outstanding for a period of exceeding six months (from the date they were due for payment)		
	Considered good	337.48	350.03
	Considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		337.48	350.03
	Others (Refer note below)		
	Considered good	7,525.77	4,838.36
	Considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		7,525.77	**4,838.36**
	Total Trade Receivable	**7,863.26**	**5,188.39**
11.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	82.94	127.05
	Balances with banks		
	In current accounts	5.34	9.44
	Total cash and cash equivalents	**88.28**	**136.49**
	Other bank balances		
	In current accounts (held for unpaid dividend)	1.29	0.52
	In deposit account (held as margin)	245.32	625.35
	Total Other bank balances	**246.61**	**625.87**
	Total cash and bank balances	**334.89**	**762.36**
	Included above		
	Earmarked balance for unpaid dividend	1.29	0.52
	Earmarked balance for margin against letters of credit	242.76	625.35
12.	**Other financial assets**		
	Incentive receivable from government (PICUP)	24,347.39	24,347.39
	(Refer Note No.- 45)		
	Loans & Advances	170.64	175.56
		24,518.02	**24,522.95**
13.	**Other current assets**		
	Advance with public bodies	-	-
	Other loans and advances		
	Advance to suppliers	2,859.27	1,288.12
	Other advances and prepayments		
	Prepayments	29.33	27.72
	Others	42.73	29.74
		72.05	57.46
		2,931.33	**1,345.58**

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
14.	**Share capital**		
	Authorised:		
	49,88,50,000 Equity Shares of ₹ 1 each (Previous year 4,66,85,000 Equity Shares of ₹ 10 each)	4,988.50	4,668.50
		4,988.50	**4,668.50**
	During the year M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited (all being Wholly Owned Subsidiaries of the Company) amalgamated with the Company. Pursuant to the Scheme of Amalagamation, Authorised Share Capital of these Companies amounting to ₹ 3,20,00,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 49,88,50,000 /-. During the year Company has sub-divided face value of per share from ₹ 10/- to ₹ 1/- each.		
	Issued, Subscribed and fully paid up:		
	28,23,60,720 Equity Shares of ₹ 1 each	2,823.61	2,823.61
	(As at March 31, 2018 : Issued, Subscribed and Paid up no. of Shares were 28,236,072 of ₹ 10/- each. During the year Company has sub-divided face value of per share from ₹ 10/- to ₹ 1/- and thereby no. of Issued, Subscribed and Paid up Shares increased from 2,82,36,072 (of ₹ 10 each) to 28,23,60,720 (of ₹ 1/- each).		
		2,823.61	**2,823.61**

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

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	No. of Shares	Amount ₹ lakhs	No. of Shares	Amount ₹ lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning & end of the year	28,23,60,720	2,823.61	2,82,36,072	2,823.61
Issued during the year	-	-	-	-
At end of the year	**28,23,60,720**	**2,823.61**	**2,82,36,072**	**2,823.61**

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

	As at 31.03.2019		As at 31.03.2018	
Name of Shareholder	No. of Shares	%	No. of Shares	%
Gallantt Metal Limited	7,25,19,920	25.68%	72,51,992	25.68%
Chandra Prakash Agrawal	5,23,40,040	18.54%	52,34,004	18.54%
AAR Commercial Co. Ltd.	4,97,48,760	17.62%	33,90,526	12.01%
Camellia Tradelink Private Limited*	-	0.00%	15,84,350	5.61%
Wallstreet Distributor Private Limited	1,92,58,290	6.82%	11,04,744	3.91%

* During the year Camellia Tradelink Private Limited amalgamted with AAR Commercial Co. Ltd.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
15.	**Other Equity**		
	Securities premium	36,898.77	17,732.19
	Amalgamation reserve	364.69	412.19
	General reserve	4,998.82	4,998.82
	Statutory reserve	0.46	0.46
	Capital Reserve	12,030.22	27,599.59
	Retained Earnings	38,380.72	22,336.15
		92,673.67	**73,079.40**
	Securities premium		
	Opening and closing balance	17,732.19	17,732.19
	Add: Security Premium of merged entity	19,166.58	-
	Closing balance	36,898.77	17,732.19
	Amalgamation reserve		
	Opening balance	412.19	412.09
	Add: Amalgmation reserve of merged entity	(47.50)	0.10
	Closing balance	**364.69**	**412.19**
	General reserve		
	Opening and closing balance	4,998.82	4,998.82
	Statutory reserve		
	Opening and closing balance	0.46	0.46
	Capital reserve		
	Opening balance	27,599.59	8,479.64
	Add: Capital reserve on consolidation of Associate/Subsidiaries	3,550.58	19,119.95
	Add/(Less): Adjustment Due to Consolidation	(19,119.95)	-
	Closing balance	**12,030.22**	**27,599.59**
	Retained Earnings		
	Opening balance	22,336.15	14,732.96
	Profit for the period	**16,378.89**	**7,755.82**
	Add: Reserves and surplus of amalgamated entity	1.11	5.11
	Less: Dividend and tax thereon	(339.84)	(169.92)
	Less : Adjustment Due to Consolidation	(0.07)	(5.09)
	Other Comprehensive Income	5.41	26.41
	Tax impact on above	(0.93)	(9.14)
	Closing balance	**38,380.72**	**22,336.15**

16.	**Long-term Borrowings**		
	Deferred VAT/CST Payable (Interest free)	9,568.80	9,491.64
	Term Loan		
	From Banks (HDFC Bank Ltd)	2,464.42	2,870.09
	Less : Current Maturities of Term Loan	(448.56)	(412.34)
		2,015.85	**2,457.75**
		11,584.66	**11,949.39**

Company is availing a term loan of ₹ 3,000.00 lacs from HDFC Bank Ltd for plant and machineries for expansion of its capacity at GIDA, Sahjanwa, Gorakhpur.

(₹ in lacs)

Security:

* **Primary Security**: Term loan is securd by way of first pari passu charge by way of hypothecation of Plant & machineries and equipment acquired for expansion of project of the company.

* **Collateral Security**: Term loan is further secured by way of first pari passu charge with consortium banking arrangement member ban (SBI) by way equitable mortgage of the company's immovable property viz; Factory Land & Building at GIDA, Sahjanwa, Gorakhpur.

* Loan is further secured by personal guarantee of Directors namely Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal, Mr. Prem Prakash Agrawal and Mr. Nitin Mahavir Prasad Kandoi.

Repayment:
Term loan is repayable in 72 equal monthly installments of ₹ 53.26 lacs (including interest) and same started from 7th December 2017.

		As at 31.03.2019	As at 31.03.2018
17.	**Provisions**		
	Non-current		
	Provision for employee benefits		
	Retirement gratuity	71.02	17.58
		-	-
		71.02	**17.58**
18.	**Other Non-current Liabilities**		
	Deferred income (Capital subsidy)	1,241.96	1,359.30
		1,241.96	**1,359.30**
19.	**Current Borrowings**		
A.	**Secured - at amortised cost**		
	Repayable on demand		
	From banks		
	Cash credit	10,968.57	5,488.52
	Other loans- Current Maturity of Term Loan from HDFC		
	Current Maturity of Term Loan from HDFC	448.56	412.34
	Total secured borrowings	**11,417.13**	**5,900.86**
B.	**Un Secured - at amortised cost**		
	Unsecured loans	1,148.45	5,894.05
	Total unsecured borrowings	**1,148.45**	**5,894.05**
	Total borrowings	**12,565.58**	**11,794.91**

1. The above working capital loan from bank (SBI & HDFC) is secured by first pari Passu charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts-present and future.The loan is further secured by way of hypothecation of plant & machineries and equipment of the company alongwith consortium banking arrangement member bank (SBI)

2. The above working capital loan is further secured by the personal guarantee of Sri C. P. Agrawal, Sri P.P Agarwal, Shri S.K. Agarwal and Shri Nitin Mahavir Prasad Kandoi.

3. The Company is enjoying Cash credit facilities(CC) from two Banks namely SBI & HDFC Bank Ltd. with sanction limit of ₹ 3,000.00 lacs each. During the Year, Company has issued cheques of ₹ 8,489.50 Lacs which were not presented in bank, resulted in excess balance in cash credit account in compare to its sanction limit.

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		As at 31.03.2019	As at 31.03.2018
20.	**Trade Payables**		
	Total outstanding dues of creditors (Refer Note no 44)	600.30	6,075.41
	Creditors for accrued wages and salaries	0.54	49.53
	Total trade payables	**600.84**	**6,124.94**
21.	**Other Current Financial Liabilities**		
	Unpaid dividends	1.29	0.52
	Total other current financial liabilities	**1.29**	**0.52**
22.	**Other Current Liabilities**		
	Advance received from customers	933.64	871.37
	Advance against property	15.00	40.00
	Employee recoveries and employer's contributions	15.94	7.08
	Statutory dues	794.80	454.39
	Other credit balances	533.14	1,415.57
	Total other liabilities	**2,292.52**	**2,788.41**

		For the year ended 31.03.2019	For the year ended 31.03.2018
23.	**Revenue from operations**		
	Sale of Products		
	Sale of finished goods	1,21,157.95	57,301.49
	Sale of other products	991.78	339.46
	Total Sale of Products	**1,22,149.02**	**57,640.95**
	Income from Real Estate Division	778.04	1,047.28
	Revenue from Operations (Net)	**1,22,927.06**	**58,688.23**
24.	**Other income**		
	Interest income from fixed deposits	58.11	109.48
	Gain on foreign currency transactions (net)	-	8.86
	Miscellaneous income	42.66	40.29
	Dividend Income	103.73	-
	Total other income	**204.50**	**158.63**
25.	**Cost of materials consumed**		
	Raw materials consumed		
	Opening stock	8,003.56	3,053.11
	Add: Purchases	94,160.76	48,268.16
		1,02,164.32	**51,321.27**
	Less: Closing stock	8,668.95	8,003.56
		93,495.36	**43,317.71**
	Cost of land sold	117.92	143.70
	Total cost of materials consumed	**93,613.29**	**43,461.41**

Notes to the Consolidated Financial Statements as at and for the year ended 31st March, 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
26.	**Changes in inventories of finished products**		
	Inventories at the beginning of the year:		
	Finished Goods	2,432.96	439.89
	Total	**2,432.96**	**439.89**
	Inventories at the end of the year:		
	Finished Goods	1,498.36	2,432.96
	Total	**1,498.36**	**2,432.96**
	Net (increase / decrease)	**934.60**	**(1,993.06)**
27.	**Employee Benefit Expenses**		
	Salaries and wages, including bonus	2,344.59	1,262.06
	Contribution to Provident and other Fund	231.02	48.52
	Workmen and staff welfare expenses	57.34	32.82
	Total employee benefits expense	**2,632.95**	**1,343.40**
28.	**Financial Cost**		
	Interest expense	879.65	748.61
	Bank charges	88.29	108.56
	Total finance costs	**967.94**	**857.17**
29.	**Depreciation expense**		
	Depreciation on tangible assets	2,706.87	1,954.53
	Less: Release from capital subsidy	(117.34)	(117.82)
	Total	**2,589.53**	**1,836.71**
30.	**Excise duty**		
	Excise duty on sale of finished products	-	1,142.78
	Total excise duty	**-**	**1,142.78**
31.	**Other expenses**		
	Manufacturing expenses		
	Consumption of stores and spare parts	2,105.48	909.60
	Repairs to Plant & Machinery	526.37	227.40
	Repairs to others	195.15	205.05
	Handling Expenses	1,110.73	635.81
	Power & Fuel	793.41	2,371.97
	Packing Material Consumed	276.55	112.92
	Selling and administrative expenses		
	Rates, taxes and licenses	20.01	48.73
	Electricity expenses	26.81	23.97
	Insurance charges	44.78	50.70
	Environment expenses	395.60	226.02
	Selling and distribution expenses	776.01	327.02
	Legal and professioanl fee	115.83	54.20
	Travelling and conveyance expenses	115.27	87.93
	Telephone expenses	11.40	12.30
	Directors' remunertion	96.00	84.00
	Corporate social responsibility expenses	100.00	72.00
	Printing and stationery	11.72	4.13
	Loss on sale of fixed assets	1.64	0.24
	Audit Fees	3.55	3.70
	Other general expenses	213.24	58.60
	Total other expenses	**6,939.54**	**5,516.27**

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
32.	**Income tax recognised in profit and loss**		
	Current tax		
	In respect of the current year	3,584.49	1,431.82
	In respect of prior years	-	188.66
		3,584.49	**1,620.48**
	Deferred tax		
	Deferred Tax Liabilities pursuant to timing difference in respect of the current year	504.46	412.26
	Deferred Tax Assets pursuant to MAT Credit in respect of the current year	(479.61)	(712.43)
		24.85	**(300.17)**
	Total tax expense	**24.85**	**(300.17)**

33.	**Earnings per share**		
	Basic and diluted earnings per share		
	The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
	Profit for the year	16,379	7,756
	Weighted average number of equity shres for the purpose of basic earnings per share	28,23,60,720	2,82,36,072
	Basic & Diluted Earning per Share (Rs.)	**5.80**	**27.47**
	The Company is not having any potential ordinary shares which are dilutive in nature. Hence diluted earnings per share is not calculated separately.		
	During the year Company has sub-divided face value per share from ₹ 10/- to ₹ 1/- and thereby no. of Issued, Subscribed and Paid up Shares increased from 2,82,36,072 (of ₹ 10 each) to 28,23,60,720 (of ₹ 1/- each). EPS of the current financial year has, accordingly, changed as per the incresed no. of paid up shares.		

34 Segment information

34.01 Products and services from which reportable segment derives their revenues

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Steel
- Power
- Agro
- Real Estate

The Company's chief operating decision maker is the Chairman & Managing Director. Revenue ad expenses directly attributable to segment are reported under each reportable segment.All other expenses which are not allocable to segments have been disclosed as Unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable. The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

(₹ in lacs)

34.02

	Segment Revenue		Segment Profit	
	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2019	For the year ended 31.03.2018
Agro	11,549.06	7,833.54	1,229.08	491.82
Steel	1,10,599.97	49,807.41	6,959.72	1,951.93
Power	19,961.21	8,342.62	7,762.60	4,306.78
Real Estate	778.04	1,047.28	660.11	903.58
Un-allocated income	204.50	158.63	-	-
	1,43,092.77	**67,189.48**	**16,611.50**	**7,654.11**
Inter-segment revene	19,961.21	8,342.62	-	-
Total Revenue	**1,23,131.56**	**58,846.86**	**16,611.50**	**7,654.11**
Interest costs			967.94	857.17
Unallocated expenses/(income)			189.86	114.75
Profit before exceptional items and tax			**15,453.71**	**6,682.18**
Exceptinal items			1,177.68	-
Profit before tax			**16,631.38**	**6,682.18**
Tax expenses			3,609.34	1,320.31
Profit after tax			**13,022.04**	**5,361.87**
Share of Profit from Associates			3,356.85	2,393.95
Profit after tax			**16,378.89**	**7,755.82**

34.03 Capital Employed

	As at 31.03.2019	As at 31.03.2018
Agro	2,869.19	175.27
Steel	37,939.13	49,750.47
Power	18,433.06	6,869.82
Real Estate	2,695.01	778.35
Un-allocated income	33,560.88	18,329.10
	95,497.28	**75,903.01**

35 Employee Benefit plans

35.01 Defined contribution plans

Employee benefits in the form of Providend Fund is considered as defined contribution plan and the contributions to Employees providend Fund organisation established under the Employee's Providend fund and Misc. Provision Act 1952 charges to the statement of Profit and Loss when the contribution to the respective funds are due.

35.02 Defined benefit plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from timt to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

(₹ in lacs)

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

Movement in the fair value of the plan assets	For the year ended 31.03.2019	For the year ended 31.03.2018
Opening fair value of plan assets	135.38	96.81
Acquisition adjustment	(50.72)	-
Interest income on plan assets	9.76	7.45
Employer's contribution	85.77	34.23
Return on plan assets greater / (lesser) than discount rate	(1.22)	(3.12)
Benefits paid	-	-
Closing fair value of plan assets	**178.97**	**135.38**

Movement in the present value of the defined benefit obligation		
Opening defined benefit obligation	152.96	129.56
Current service cost	89.14	37.69
Interest cost	11.78	9.98
Plan Amendments: Vested portion at end of period(Past Service)	-	5.26
Remeasurement gain(loss)		
Actuarial (gains)loss arising from changes in demographic assumptions	-	-
Actuarial (gains)loss arising from changes in financial assumptions	2.17	(12.74)
Actuarial (gains)loss arising from experience adjustments	(6.06)	(16.79)
Benefits paid	-	-
Exchange difference on foreign plans	-	-
Closing defined benefit obligation	**249.99**	**152.96**

	Movement in the fair value of the plan assets	For the year ended 31.03.2019	For the year ended 31.03.2018
	Components of defined benefit costs recognised:		
I.	**Components of defined benefit costs recognised in profit and loss**		
	Service Costs:		
	- Current service cost	89.14	37.69
	- Past service cost and (gain)/loss from settlements	-	5.26
	Net interest expenses	2.02	2.52
	Subtotal	**91.16**	**45.47**
II.	**Components of defined benefit costs recognised in other comprehensive income**		
	Remeasurement on the net defined benefit liability:		
	-Return on plan assets (excluding amounts included in net interest expense)	1.22	3.12
	-Actuarial (gains)loss arising from changes in demographic assumptions	-	-
	- Actuarial (gains)/loss arising from changes in financial assumptions	2.17	(12.74)
	- Actuarial (gains)/loss arising from experience adjustments	(6.06)	(16.79)
	Adjustments for restrictions on the defined benefit asset	-	-
	Subtotal	**(2.67)**	**(26.41)**
	Total defined benefit cost recognised	**88.49**	**19.06**

(₹ in lacs)

	As at 31.03.2019	As at 31.03.2018
Amount included in the standalone balance sheet arising from defined benefit plan obligation		
Present value of funded defined benefit obligation	249.99	152.96
Fair value of plan assets	(178.97)	(135.38)
Funded status	**71.03**	**17.58**
Net liability arising from defined benefit obligation	**71.03**	**17.58**
Principal assumption used for the purpose of the actuarial valuation		
Mortality Table	IALM. (2006-08) Ultimate	IALM. (2006-08) Ultimate
Discount rate	7.65%	7.70%
Expected rate(s) of salary income	9.00%	9.00%

Sensitivity Ananlysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31.03.2019	
	(Increase)	(Decrease)
Discount Rate (1% movement)	210.77	299.09
Salary esclation rate (1% movement)	296.27	211.28
Withdrawal Rate (1% movement)	243.01	257.99

36 Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt (borrowings as detailed in notes [16] and [19] offset by cash and bank balances) and the total equity of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2019	As at 31.03.2018
Debt		
Current borrowings	12,565.58	11,794.91
Cash and bank balances	88.28	136.49
Net debt	**12,477.30**	**11,658.42**
Total equity	**2,823.61**	**2,823.61**
Equity share capital	92,673.67	73,079.40
Other equity	95,497.28	75,903.01
Net debt to equity ratio	**0.13**	**0.15**

(₹ in lacs)

37 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

37.01 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

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

	Currency	As at 31.03.2019	As at 31.03.2018
Financial Liabilities			
Hedged			
Trade Paybale	USD	-	-
	INR	-	-
Unhedged			
Trade Paybale	USD	1.80	65.29
	INR	125.66	4,252.90

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

37.02 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

(₹ in lacs)

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
More than Six months	337.48	350.03
Others	7,525.77	4,838.36
	7,863.26	**5,188.39**

37.03 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

38 RELATED PARTY DISCLOSURE AS PER AS- 18 (AS IDENTIFIED BY THE MANAGEMENT)

Name of Related Party and Description of Relationship:

I.	Associate or Subsidiary Company / Entity under common Control	Gallantt Metal Ltd
		Chandra Prakash Agrawal & Sons (HUF)
		Prem Prakash Agrawal HUF
		Santosh Kumar Agrawal HUF
		Bhavika Smeltors and Food Products Private Limited*
		Shrinu Rolls and Milling Private Limited*
		Satlaj Rolls and Milling Private Limited*
		Antarmukh Steel Manufacturer Private Limited*
		Gallantt Foundation
II.	Key Managerial Personnel	Mr. Chandra Prakash Agrawal, Chairman & Managing Director
		Mr. Prem Prakash Agrawal, Whole Time Director
		Mr. Nitin Mahavir Prasad Kandoi, Whole Time Director
		Mr. Santosh Kumar Agrawal, Whole Time Director
		Mr. Mayank Agrawal, Chief Executive Officer
		Mr. Amit Jalan, Chief Financial Officer
		Mr. Nitesh Kumar, Company Secretary
III.	Relatives of Key Managerial Personnel	Mrs. Madhu Agarwal (Wife of Mr Chandra Prakash Agrawal)
		Mr. Ashutosh Agrawal (Son of Mr Santosh Kumar Agrawal)
		Mrs. Smriti Agrawal (Daughter in Law of Mr Santosh Kumar Agrawal)
		Mrs. Shyama Agrawal (Wife of Mr Prem Prakash)
		Mrs. Shruti Kandoi (Wife of Mr Nitin Mahavir Prasad Kandoi)
		Mrs. Pallavi Agrawal (Wife of Mr Mayank Agrawal)
		Mrs. Uma Agrawal (Wife of Mr Santosh Kumar Agrawal)
	* M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private Limited and M/s. Satlaj Rolls and Milling Private Limited were wholly owned subsidiaries. By the order dated October 31, 2018 passed by Office of the Regional Director (ER), Ministry of Corporate Affairs, these Wholly Owned Subsidiaries amalgamated with the Company.	

(₹ in lacs)

Related Party Transaction:

Nature of Transaction	Associate or Subsidiary Co. & Firm	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Salary/ Remuneration	-	138.94	67.20	206.14
	-	(116.81)	(63.00)	(179.81)
Rent Paid	-	-	0.12	0.12
	-	-	-	-
Purchase	22.81	-	-	22.81
	(22.12)	-	-	(22.12)
Sale	84.89	-	-	84.89
	(14.24)	-	(3.28)	(17.52)
Loan Taken	600.00	-	-	600.00
	-	-	-	-
Loan Given	750.00	-	-	750.00
	-	-	-	-
Advance Received Against Land	-	-	-	-
	(6,902.00)	-	-	(6,902.00)
Interest Paid	0.01	-	-	0.01
	-	-	-	-
CSR Expenses contributed	-	-	-	-
	(72.00)	-	-	(72.00)
Medical Expenses Reimbursed	-	-	-	-
	-	(3.00)	-	(3.00)
Outstanding balances, including commitment (Amount payable)	-	-	-	-
	-	-	-	-

The Amount Shown in Bracket ( ) Denotes Previous year figure

39 Fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimare the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of finnacial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

(₹ in lacs)

	As at 31.03.2019	As at 31.03.2018
Financial Assets:		
Investment - Non -current	23,364.29	16,454.12
Security deposits - Non - current	0.68	0.87
Trade receivables	7,863.26	5,188.39
Cash and cash equivalents	88.28	136.49
Other bank balances	246.61	625.87
Loan - Current	170.64	175.56
Other Financial assets - Current	24,347.39	24,347.39
Total	**56,081.14**	**46,928.70**
Financial Liabilities		
Borrowings - Current	12,565.58	11,794.91
Trade payable	600.84	6,124.94
Derivative financial liabilities	-	-
Other financial liabilities	1.29	0.52
Total	**13,167.72**	**17,920.37**

40 Contingent liabilities

		As at 31.03.2019
(i)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	210.00
(ii)	Guarantee given by the bank on behalf of the Company to FA & CAO Paradeep Port Trust	25.37
(iii)	Guarantees given by the bank on behalf of the Company to Uttar Pradesh Pollution Control Board for NOCs.	2.00
(iv)	Guarantee given by the bank on behalf of the Company to Uttar Pradesh Rajya Nirman Nigam against Security.	4.00
(v)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	38.31
(vi)	Guarantees given by the bank on behalf of the Company to Northern Coal Fields Ltd	18.57
(vii)	Guarantees given by the bank on behalf of the Company to Eastern Coal Fields Ltd	131.00
(viii)	Guarantee given by the bank on behalf of the Company to Purvanchal Vidyut Vitran Nigam for Electricity connection.	240.00
(ix)	Guarantee given by the bank on behalf of the Company to Linde India Limited.	10.00

Sub Notes:

1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

41 Corporate Social Responsibilty Contribution (CSR Expenses)

	As at 31.03.2019	As at 31.03.2018
a) Gross amount required to be spent by the company during the year	97.09	70.50
b) Amount spent during the year on		
Contribution to a trust Gyan Ved Foundation	100.00	-
Contribution to a trust i.e Gallantt Foundation	-	72.00

42 Subsequent Events

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

43 Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties**.**

44 Disclosure as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

We have received few intimation from suppliers regarding the status under the Micro, Small and Medium Enterprises Development Act, 2006. As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2019 amount due to the Micro, Small and Medium Enterprises was paid within the appointed day as defined in the Micro, Small and Medium Enterprises Development Act, 2006**.**

45 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time, the company is eligible for Interest free loan equivalent to the amount of VAT, CST & SGST liability for 15 years and which shall be re-payable after 15 years. The company has claimed Rs. 10,828.03 lacs up to 30th June 2017 on account of Interest Free Loan from State Government of Uttar Pradesh. Out of total claim of ₹ 10,828.03 lacs, ₹ 9,255.64 lacs has not been deposited to Commercial Tax department in accordance with order of Hon'ble High Court of Allahabad in writ petition no. 8886/2011, and order in writ petition no. 21103 dated 22.03.2018. However, ₹ 1,572.39 Lacs have already been deposited upto August, 2011.

Further as the GST act has replaced the VAT and CST w.e.f. 01.07.2017, Company has paid total amount of ₹ 8,426.75 Lacs as SGST to the State Government account, out of this an amount of ₹ 3,194.85 Lacs (previous year ₹ 1,049.54 Lacs) has been considered on taxable turnover of old unit which is eligible for interest free loan. Balance amount of SGST ₹ 5,231.90 Lacs has been considered on taxable turnover of expansion. Company has worked out the taxable turnover and interest free loan from the old unit as per the provision of GO no. 2941 dated 30.11.2006 & GO no. 2052 dated 02.11.2016 under Industrial Promotional Scheme 2006 & 2012 of the State Government of Uttar Pradesh. Therefore, the total amount refundable as intrerest free loan is ₹ 4,244.39 Lacs (upto previous year ₹1,049.54 Lacs).

46 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 1st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time, the company is eligible for incentives i.e. Capital investment subsidy @ 20% of fixed capital investment, infrastructure subsidy @ 10% of total fixed capital investment and 5% additional capital subsidy being the first unit in Purvanchal region. Company has claimed for ₹ 12,262.00 lacs against the capital investment made upto 31st May 2012. The incentive received of ₹ 2,428.00 Lacs has been credited in fixed assets in the ratio of capital investment made. No provision has been made for the unrealized claim of ₹ 9,834.00 lacs in the books.

47 As per incentive scheme of State Government of Uttar Pradesh vide Government Order No. 1502/77-6-2006-10 tax/04 dated 01st June 2006 and which have been elaborated in Government Order No. 2941/77-6-2006-10 tax/04 dated 30th November 2006 and amended from time to time the company is eligible for incentives including freight subsidy on Iron Ore equivalent to the freight paid to Railway and local handling expenses upto maximum of 5% of the railway freight. The total amount of freight subsidy is restrcited to 65% of the total capital investment under the scheme that comes ₹ 22,775.00 Lacs. Since company has already claimed ₹ 22,775.00 lacs till March 2018 as such no amount is available to be claimed as freight subsidy during the year and onward.

48 During the financial year 2017-18 company has started commercial production w.e.f 01.12.2017 from its new expansion project at GIDA Sahjanwa, which has been established under Industrial Development Policy 2012 of State Government of Uttar Pradesh, which provides refund of 80% of the SGST amount deposited in State Government account. A total amount of ₹ 8,426.75 Lacs has been paid as SGST during the year (in previous year from 1st December 2017 to March 31, 2018 ₹ 1,931.61 Lacs has been paid) . Out of this amount ₹ 3,194.85 Lacs is considered on taxable turnover from the old unit and balance ₹ 5,231.90 Lacs is considered on taxable turnover of expansion. As per Scheme Company is entitled for refund of 80% of the amount deposited as SGST which comes at ₹ 4,185.52 Lacs for the period (₹ 705.65 Lacs for the previous year). Since our application is not yet processed and accepted by the appropriate authirties of State Government of Uttar Pradesh till date as such these amounts has not been recognised as income in the books of account.

49 Vide its order dated October 31, 2018, Office of the Regional Director (ER), Ministry of Corporate Affairs has sanctioned Scheme of amalgamation of four Wholly Owned Subsidiaries viz. M/s. Antarmukh Steel Manufacturer Private Limited, M/s. Bhavika Smeltors and Food Products Private Limited, M/s. Shrinu Rolls and Milling Private

Limited and M/s. Satlaj Rolls and Milling Private Limited with the Company. All the transferor Companies were Wholly Owned Subsidiaries of the Company and hence, no shares were allotted under the amalgamtion and shareholding of the Company in the Wholly Owned Subsidiaries stand cancelled. Pursuant to the Scheme of Amalagamation, Authorised Share Capital of these Companies amounting to ₹ 3,20,00,000/- added to the Authorised Share Capital of the Company thereby the Total Authorised Share Capital of the Company stood at ₹ 49,88,50,000 /-.

50 Company had made provision for exceptional income of ₹ 1,177.68.Lacs arising out of and based on the Order of Honorable Supreme Court in matter of electricity duty rebate dispute pending with Uttar Pradesh Power Corporation Limited (hereinafter referred to as the "UPPCL"). As per the Order of Honorable Supreme Court, Company is eligible to avail electricity duty rebate and interest, if any, paid on the electricity duty. The UPPCL has passed an internal order and adjusted this amount of electricity duty and interest paid on electricity duty (total to the tune of ₹ 1,177.68 Lacs) has been adjusted against the payment of electricity purchased from the UPPCL.

51 In accordance with the approval of the shareholders of the Company through Special Resolution at the Extra-ordinary General Meeting held on Friday, 27th July, 2018, Company has sub-divided Face Value of Equity Shares from ₹ 10/- each to ₹ 1/- each as per Section 61(1)(d) of the Companies Act, 2013. Board of Directors of the Company had fixed August 08, 2018 as Record Date for the purposes of Sub Division of existing equity shares from every ONE equity share of ₹ 10/- each into TEN equity shares of ₹ 1/- each. After sub-division of Shares as above new ISIN was granted to the Equity Shares of the Company. New ISIN is - INE528K01029. Shares with new face value of ₹ 1/- each were credited into the Beneficiary Account of the Shareholders under the new ISIN. Company has complied with necessary formalities in this respect.

52 In accordance with the approval of the shareholders of the Company through Special Resolution at the Extra-ordinary General Meeting held on Friday, 4th January, 2019, Company has approved shifting of Registered Office of the Company from the State of West Bengal to the National Capital Territory of Delhi. Office of the Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 has approved the shifting of Regsitered Office as above. Company is complying with requisite formalities in this behalf.

53 The Company has only one class of Equity Shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. During the year, the amount of per share dividend (interim) paid to equity shareholders was 5 paise only per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. This distribution will be in proportion to the number of equity shares held by the shareholders. The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

54 The Company for the period of five years immediately preceding the date of Balance Sheet has:

i. on June 26, 2015, Allotted 92,15,159 equity shares as fully paid and cancelled 1,02,45,592 equity shares pursuant to Scheme of Amalgamation without payment being received in cash.

ii. Not allotted fully paid up shares by way of bonus shares

iii. Not bought back any class of shares.

55 There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder. During the year under review, your Company has neither accepted nor renewed any deposits from the public within the meaning of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

56 During the year, Company has purchased as well as sold electricity from/to the State Government of Uttar Pradesh. Net of Purchase and Sale has been accounted for in the Books of Accounts of the Company under the head Other Expenditure (sub-head Manufacturng Expenses).

57 Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ANOOP AGARWAL & CO.**
Chartered Accountants
Firm Regn. No. 001739C

(Amit Kumar Srivastava)
Partner
Membership No. 517195
Place : Gorakhpur
Date. - 29th April, 2019

(C.P. Agrawal)
Chairman & Managing Director

(S.K. Agrawal)
Whole time Director

(Amit Jalan)
Chief Financial Officer

(Nitesh Kumar)
Company Secretary

Notes

GALLANTT ISPAT LIMITED

CIN: L27109DL2005PLC350523
"GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014.
Telefax: 011-41645392; Email: nitesh@gallantt.com
Website: www.gallantt.com

(ANNEXURE TO THE NOTICE FOR THE 15TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 26-09-2019)

Name & Registered Address of Sole/First named Member	
Joint Holders Name (If any)	
Folio No. / DP ID & Client ID	
No. of Equity Shares Held	

Dear Shareholder,

Subject: Process and manner for availing E-voting facility:

Pursuant to Provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide E-voting facility to the members to cast their votes electronically on all resolutions proposed to be considered at the Annual General Meeting (AGM) to be held on Thursday, 26th September, 2019 at 11.00 a.m. at "Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi - 110014 and at any adjournment thereof.

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility. The e-voting facility is available at the link https:// www.evoting.nsdl.com/.

The Electronic Voting Particulars are set out below :

EVEN	User ID	Password / PIN

The E-voting facility will be available during the following voting period:

Remote e-Voting Start On	Remote e-Voting End On
23rd September, 2019 at 9.00 A.M.(IST)	25th September, 2019 at 5.00 P.M.(IST)

Please read the instructions mentioned in the Notice before exercising your vote.

For Gallantt Ispat Limited
Nitesh Kumar
(Company Secretary)

Date: August 13, 2019
Place: Gorakhpur

GALLANTT ISPAT LIMITED

CIN: L27109DL2005PLC350523

"GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014.
Telefax: 011-41645392; Email: nitesh@gallantt.com
Website: www.gallantt.com

ATTENDANCE SLIP

Annual General Meeting, Thursday, the 26th day of September, 2019 at 11.00 a.m. at **Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi- 110014**

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy / Authorised Representative, if any	

I / We hereby record my / our presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 26th day of September, 2019 at 11.00 a.m. at **Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi - 110014**

Signature of Shareholder/ Proxy/ Authorised Representative

Note: The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.

GALLANTT ISPAT LIMITED

CIN: L27109DL2005PLC350523

"GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014.
Telefax: 011-41645392; Email: nitesh@gallantt.com
Website: www.gallantt.com

FORM NO. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

**Applicable for Investors holding shares in electronic form.*

I / We, being the member (s) of ……..…… shares of the above named company, hereby appoint:

1.	**Name:**	**Address:**
	E-mail Id:	**Signature:**

Or failing him

2.	**Name:**	**Address:**
	E-mail Id:	**Signature:**

Or failing him

3.	**Name:**	**Address:**
	E-mail Id:	**Signature:**

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 26th day of September, 2019 at 11.00 a.m. at **Geeta Bhawan", 16, Block C, Jangpura Extension, Jangpura, Delhi - 110014** and at any adjournment thereof in respect of such resolutions as is/ are indicated below:-

** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Item No.	**Resolution(s)**		
	Ordinary Business	**For**	**Against**
1	To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon		
2.	To appoint a Director in place of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
3.	To consider and approve the appointment of M/s. Maroti & Association, Chartered Accountants as Statutory Auditors of the Company for a term of 5 (five) years from conclusion of 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting and to fix their remuneration.		

	Special Business	For	Against
4.	Reappointment of Mr. Chandra Prakash Agrawal (DIN: 01814318) as a Managing Director for a period of five years		
5.	Reappointment of Mr. Santosh Kumar Agrawal (DIN: 01045228) as a Whole-time Director designated as "Director-Sales & Marketing" for a period of five years		
6.	Reappointment of Mr. Prem Prakash Agrawal (DIN: 01397585) as a Managing Director for a period of five years		
7.	Reappointment of Mr. Nitin Mahavir Prasad Kandoi (DIN: 01979952) as a Whole-time Director designated as "Director (Plant Operation) for a period of five years		
8.	Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director		
9	Appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director		
10	Appointment of Mrs. Smita Modi (DIN: 01141396) as an Independent Director		
11	Approval of payment of Remuneration to Cost Auditor.		

Affix Re.1 Revenue Stamp

Signed this …… day of ……. 2019. ---------- ----------

Signature of Shareholder Signature of Proxy holder(s):

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. **This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

www.gallantt.com

If undelivered, Please return to :

GALLANTT ISPAT LTD.
(CIN : L27109DL2005PLC350523)
"GALLANTT HOUSE",
I-7, Jangpura Extension, New Delhi - 110014

print@manjari.net

GALLANTT

GALLANTT METAL LIMITED

Annual Report 2018-19

My Dear Shareowners

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

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

We continuously focus in manufacturing quality products thereby moving forward in our journey of being the most inspirational steel manufacture brand for consumers. FY 2018-19 was an excellent year for Gallantt Metal and reported the highest ever performance in terms of revenue growth, profitability and strategic growth. Our Company has reported Revenue from operations at ₹ 1,063.79 Crores grew by 25.69% on year to year basis (standalone) and Profit after tax stood at ₹ 71.63 Crores thereby recorded a growth of 45.19% in Net Profit on year to year basis (standalone). Despite the unforeseen challenges from the external environment we continue to strengthen our internal operations by upgrading technology, streamlining processes and rationalization of human resources.

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

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

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

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

Thanks,

C. P. AGRAWAL

GALLANTT METAL LIMITED

Corporate Identity Number (CIN): L27109DL2005PLC350524

Corporate Profile

BOARD OF DIRECTORS

Mr. Chandra Prakash Agrawal
Chairman & Managing Director

Mr. Dinesh Raghubir Prasad Agarwal
Whole Time Director

Mr. Prashant Jalan
Director-Plant Operation

Mr. Nitin Mahavir Prasad Kandoi
Director

Mr. Dindayal Jalan
Non-Executive Independent Director

Mr. Ashtbhuja Prasad Srivastava
Non-Executive Independent Director

Mrs. Richa Bhartiya
Non-Executive Independent Director

Mr. Jyotirindra Nath Dey
Non-Executive Independent Director

AUDITORS
ALPS & CO.
Chartered Accountants

COST AUDITORS
U. Tiwari & Associates
Cost Accountants

CHIEF FINANCIAL OFFICER
Mr. Sandip Kumar Agarwal

COMPANY SECRETARY
Mr. Tarun Kumar Rathi

REGISTERED OFFICE
"GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014.
Telefax: 011-45048767
Website: www.gallantt.com

BANKERS
State Bank of India

EQUITY SHARES LISTED
Bombay Stock Exchange Limited
National Stock Exchange of India Limited

REGISTRARS & SHARE TRANSFER AGENT
Niche Technologies Pvt. Ltd.
7th Floor, Room, No. 7A & 7B,
3A, Auckland Rd, Elgin, Kolkata,
West Bengal – 700017.
Tel.: (033) 2280 6616 / 17 / 18
Email id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

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

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

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

NOMINATION AND REMUNERATION COMMITTEE
Mr. Jyotirindra Nath Dey - Chairperson
Mrs. Richa Bhartiya
Mr. Nitin Mahavir Prasad Kandoi

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mr. Jyotirindra Nath Dey - Chairperson
Mr. Chandra Prakash Agarwal
Mr. Dinesh Raghubirprasad Agarwal

15th ANNUAL GENERAL MEETING	
Date	26.09.2019
Day	Thursday
Time	12.30 P.M
Place	"Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014. India.
Book Closure Date for AGM	Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive)
MEMBERS ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESS WITH THE DEPOSITORY PARTICIPANTS/REGISTRAR & SHARE TRANSFER AGENT	

Contents

Notice **2** Directors' Report **18** Management Discussion and Analysis Report **38** Report on Corporate Governance **66** Auditors' Report **93** Balance Sheet **98** Statement of Profit and Loss **99** Statement of Changes in Equity **100** Cash Flow Statement **101** Notes on Financial Statement **103** Consolidated Auditors' Report **128** Consolidated Balance Sheet **134** Consolidated Statement of Profit & Loss **135** Consolidated Statement of Changes in Equity **136** Consolidated Cash Flow Statement **137** Consolidated Notes on Financial Statement **139**

GALLANTT METAL LIMITED
CIN:L27109DL2005PLC350524
Registered Office: "Gallantt House", I-7, Jangpura Extension, New Delhi-110014
Phone No. 011-45048767, Fax No. 011-45048767
E-mail : csgml@gallantt.com

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

NOTICE

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

ORDINARY BUSINESS:

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

SPECIAL BUSINESSES

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

   "RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, subject to such other approvals as may be required, the approval of Members of the Company be and is hereby accorded for the reappointment of Mr. Prashant Jalan as a Whole-time Director of the Company for a term of 3 (three) years with effect from August 12, 2019 to August 11, 2022 liable to retire by rotation, based on the recommendation of the Nomination & Remuneration Committee and in line with the approval of the Audit Committee and the Board of Directors, on the terms and conditions including remuneration set out in the Agreement dated March 30, 2019 entered into between the Company and Mr. Prashant Jalan with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Prashant Jalan provided that the remuneration payable to Mr. Prashant Jalan shall not exceed the maximum limits for payment of managerial remuneration specified in the Companies Act, 2013."

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

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

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

   Commission:- No commission shall be paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

7. **To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration Number 23872) appointed as the Cost Auditors of the Company for audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, be paid remuneration amounting to Rs. 50,000/- (Rupees Fifty Thousand only) excluding out of pocket expenses, if any".

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary, be and are hereby

authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

8. **Reappointment of Mrs. Richa Bhartiya (DIN: 06905283) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mrs. Richa Bhartiya (DIN: 06905283), who was appointed as an Independent Director and who holds the office of Independent Director up to November 11, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. November 12, 2019."

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

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

For Gallantt Metal Limited

Tarun Kumar Rathi

Date: August 13, 2019 (Company Secretary)

Place: Gorakhpur

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the Special Businesses as set out in Item No. 4, 5, 6, 7 & 8 are annexed hereto. Additional Information, pursuant to Para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings") and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of re-appointment of Mr. Prashant Jalan and Mrs. Richa Bhartiya and appointment of Mr. Ashtbhuja Prasad Srivastava and Mr. Dindayal Jalan at the 15th Annual General Meeting is also annexed hereto. Futher, additional information pursuant to aforesaid provisions in respect of appointment or re-appointment as above at the 15th Annual General Meeting are made part of their respective explanatory statements.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING/ AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/ HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED, DULY COMPLETED AND SIGNED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ATTACHED HEREWITH.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The proxy holder shall prove his/her identity at the time of attending the Meeting.

4. When a Member appoints a proxy and both the Member and proxy attend the Meeting, the proxy stands automatically revoked.

5. Requisition for inspection of proxies shall be received by the Company in writing from a Member entitled to vote on any resolution at least three days before the commencement of the Meeting.

6. Proxies shall be made available for inspection during the period beginning twenty four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting.

7. Corporate Members intending to attend the Meeting are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013,

authorizing their representative to attend and vote at the Meeting.

8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9. Brief resume of Director proposed to be reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Annexure to this Notice.

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

    During the Financial Year 2018-19, Board of Directors of the Company has recommended Dividend of 25 Paise only per share. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts are used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Niche Technologies Private Limited (the "Niche") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

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

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

    i. The respective Depository Participants (DP) (in case of the shares held in Electronic Mode) or;

    ii. The Registrar & Share Transfer Agent of the Company (R&T Agent) (in case of the shares held in Physical form).

11. Members holding shares in demat mode may kindly note that any request for change of address or change of E-mail ID or change in bank particulars/ mandates or registration of nomination are to be instructed to their Depository Participant only, as the Company or its Registrar & Share Transfer Agent cannot act on any such request received directly from the Members holding shares in demat mode.

    However, Members holding shares in physical mode are requested to notify the Registrar & Share Transfer Agent of the Company of any change in their address and e-mail id as soon as possible.

12. Members are requested to contact the Company's Registrar & Share Transfer Agent Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com; Website: www.nichetechpl.com for reply to their queries/ redressal of complaints, if any, or contact Mr. Tarun Kumar Rathi, Company Secretary at the Registered Office of the Company (Phone No.: +91-11-45048767; Email: csgml@gallantt.com).

14. Members, who have not yet encashed their dividend warrants for the financial year ended March 31, 2018 are requested to make their claim to the Company's Registrar & Share Transfer Agent immediately.

15. Members are requested to bring their attendance slip, duly signed as per the specimen signature recorded with the Company for admission into the Meeting Hall.

16. Members who hold shares in dematerialised form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the Meeting.

17. Members may avail the facility of nomination by nominating a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar & Share Transfer Agent.

18. Members who hold shares in physical form in multiple folios in identical names or joint names in the same order of names are requested to send the share certificates to the Company's Registrar & Share Transfer Agent for consolidation into single

folio.

19. Since, the securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, Members holding shares in physical form are requested to get their shares dematerialized at the earliest.

20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.

    Members holding shares in physical form can submit their PAN details to the Company/Registrar & Share Transfer Agent, Niche Technologies Pvt. Ltd.

21. Electronic copy of the Annual Report 2018-19, Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email IDs are registered with the Company's Registrar & Share Transfer Agent/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. The physical copies of the Notice of the aforesaid AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to the registered address of the Members of the Company who have not registered their e-mail address in the permitted mode.

22. In keeping with the Ministry of Corporate Affairs' Green Initiative measures, the Company hereby requests the Members who have not registered their email addresses so far, to register their email addresses for receiving all communication including annual report, notices, circulars etc. from the Company electronically.

23. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder, Memorandum and Articles of Association, Agreement entered into between the Company and Executive Director etc. Also, relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the Registered Office of the Company are open for inspection by the Members at the registered office of the Company on all working days, except Saturdays, between 11:00 a.m. to 1:00 p.m. and also at the AGM. Also, the Notice for this 15th AGM along with requisite documents and the Annual Report for the financial year 2018-19 shall also be available on the Company's website www.gallantt.com.

24. In accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide the facility of voting by electronic voting system to all the Members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the aforesaid Meeting. The facility of casting the votes by the Members using such electronic voting system from a place other than venue of the AGM ("remote e-voting") is being provided by NSDL.

25. The facility for voting through Poll/Ballot Paper shall be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting through Poll/ Ballot Paper. The facility for voting by electronic voting system shall not be made available at the AGM of the Company.

26. The e-voting facility will be available during the following voting period:

    i. Commencement of remote e-voting: From 9.00 a.m. IST of September 23, 2019.

    ii. End of remote e-voting: Up to 5.00 p.m. IST of September 25, 2019.

27. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter and the facility will be blocked forthwith.

28. The voting rights of Members shall be in proportion to their shares of the total paid up equity share capital of the Company as on the cut-off date.

29. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of the Meeting and holding shares as of the cut-off date i.e. September 19, 2019, needs to refer the instruction above regarding login ID and password and may contact the Company or R&T Agent for any query or assistance in this regard.

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

30. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again or change it subsequently.

31. Only those Members, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through Poll/Ballot Paper.

32. Mr. Tanmay Kumar Saha, Practicing Company Secretary, (Membership No. F8847 and CP No. 11918) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 2 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

33. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which the voting is to be held, allow voting with the assistance of the scrutinizer, by use of Poll/ Ballot Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

34. The Scrutinizer shall after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make and submit, within 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting within 48 hours of conclusion of the AGM.

35. The Notice of the AGM shall be placed on the website of the Company and NSDL till the date of AGM. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.gallantt.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed.

    Further, the results shall be displayed on the Notice Board of the Company at its Registered Office as well as Head Office.

36. The route map showing directions to reach the venue of the Meeting is annexed.

37. The complete details of unpaid or unclaimed dividends are available on the website of the Company i.e., www.gallantt.com. For any communication, the shareholders may also send requests to the Company Secretary e-mail IDs: csgml@gallantt.com.

38. A Minor shall not be appointed as a Proxy. The proxy of a member, who is blind or incapable of writing may be accepted if such member has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address, provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of the proxy that all such insertions have been made by him at the request and in the presence of the member before he attached his signature or mark.

39. The proxy of a member who does not know English may be accepted if it is executed in the manner given in point no. 38 above and the witness certifies that it was explained to the member in the language known to him, and gives the member's name in English below the signature.

40. The Board of Directors at their Meeting held on April 29, 2019, recommended dividend pay-out, subject to approval of the shareholders at the ensuing Annual General Meeting of ₹ 0.25/- per share, on equity shares of the Company for the Financial Year 2018-19. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 19, 2019 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2019.

41. **PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS:**

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

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

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

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

    Details on Step 1 is mentioned below:

    How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

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

Details on Step 2 is given below:

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting.Click on e-Voting. Then,click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tanmayks@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

For Gallantt Metal Limited
Tarun Kumar Rathi
(Company Secretary)

Date: August 13, 2019
Place: Gorakhpur

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

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

ITEM NO. 4

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

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

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

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

Commission:- No commission shall be paid.

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

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

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

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

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

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

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

A copy of the Agreement dated March 30, 2019 referred to in the resolution at Item No. 4 will be available for inspection by the Members at the registered office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday and Sunday prior to the Fifteenth Annual General Meeting and will also be available for inspection from 12.30 P.M. at the place and date of the Meeting.

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

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

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

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

ITEM NO. 5

Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director

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

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Ashtbhuja Prasad Srivastava shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Ashtbhuja Prasad Srivastava, signifying his candidature as a Director and also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 for appointment as Independent Director and he is independent of the management of the Company.

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

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

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

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

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

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

ITEM NO. 6

Appointment of Mr. Dindayal Jalan (DIN: 00006882) as an Independent Director

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

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and applicable clause of Articles of Association of the Company, Mr. Dindayal Jalan shall hold office up to the date of this Annual General Meeting ("AGM") as he is appointed by the Board as Additional Director and is eligible to be appointed as Director of the Company. The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Mr. Dindayal Jalan, signifying his candidature as a Director and also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfils the condition specified in the Companies Act, 2013, Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 for appointment as Independent Director and he is independent of the management of the Company.

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

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

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

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

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

ITEM NO. 7

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020

The Board of Directors at its meeting held on August 13, 2019 appointed M/s. U. Tiwari & Associates, Cost Accountants (Firm Registration No. 23872), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2020, at a remuneration amounting to Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses, if any. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for approving the Ordinary Resolution as set out in Item No. 7 for ratification by the shareholders at the ensuing Annual General Meeting of the Company.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at Item No. 7 of this Notice.

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

ITEM NO. 8

Appointment of Mrs. Richa Bhartiya (DIN: 06905283) as an Independent Director

Mrs. Richa Bhartiya was appointed on the Board of your company on 12th November, 2014, as Additional Director in the capacity as Non-Executive Independent Director and her appointment was confirmed at the Annual General Meeting held on 28th September, 2015. Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149(11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. Pursuant to the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreements with the stock exchanges, Mrs. Richa Bhartiya was appointed as an Independent Directors on the Board of the Company for a period of 5 (Five). She will hold office as an Independent Directors of the Company up to November 11, 2019 ("First Term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mrs. Richa Bhartiya as an Independent Directors for Second Term of 5 (Five) consecutive years on the Board of the Company. This appointment shall be effective from November 12, 2019 up to November 11, 2024. On the recommendation of the Nomination and Remuneration Committee, based upon the performance evaluation of Independent Directors and the Board considers that, given her backgrounds, rich experience of diversified sectors and contributions made by her during her tenure, the continued association of Mrs. Richa Bhartiya would be beneficial to the Company and it is desirable to continue to avail her services as Independent Directors.

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

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

Mrs. Richa Bhartiya is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as Directors and she has also given declaration that she meets with the criteria of Independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time). In the opinion of the Board, Director meets the criteria of Independence and qualifies for appointment as an Independent Director.

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

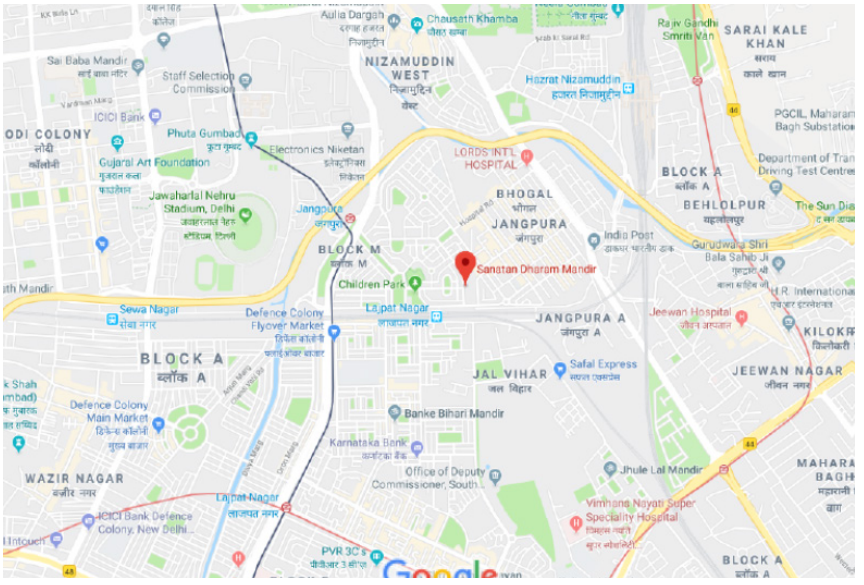
Brief Profile of Mrs. Richa Bhartiya, Independent Director pursuant to para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings"), Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, is provided in the table below:

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

For Gallantt Metal Limited
Tarun Kumar Rathi
(Company Secretary)

Date: August 13, 2019
Place: Gorakhpur

Road Map of Venue of 15th Annual General Meeting



DIRECTORS' REPORT

TO THE MEMBERS

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

CORPORATE OVERVIEW

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

WORKING RESULTS (₹ in Lacs)

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

FINANCIAL ACCOUNTING AND ADOPTION OF IND AS

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

BUSINESS OPERATION AND PERFORMANCE REVIEW

During the year Revenue from Operations stood at ₹ 1,06,378.53 Lacs as compared to ₹ 84,558.04 Lacs during the FY17-18. This Fiscal has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 25.81% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company recorded a growth of 45.19% in Net Profit on year to year basis (standalone) despite a relatively sluggish industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Standalone and Consolidated Net Profit stood at ₹ 7,162.65 Lacs and ₹10,434.20 Lacs respectively. Standalone Earnings per Share (EPS) stood at ₹ 8.81 (face value of ₹ 10/- each) and Consolidated Earnings per Share (EPS) stood at ₹ 12.83 (face value of ₹ 10/- each) for the Financial Year ended March 31, 2019. There is no change in the nature of the business of the Company. Disclosure of financial statement of Associate Company M/s. Gallantt Metal Limited has been provided in the prescribed format as a part of this Report. There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future. Factory had been working efficiently during the year. Safety measures and processes have been installed and improved upon at the plants and work sites.

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

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

DIVIDEND

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

Securities and Exchange Board of India ('SEBI'), vide its notification dated 8 July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market Capitalization calculated as on 31 March of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites (www.

gallantt.com). On the basis of market capitalisation, your Company does not fall under Top 500 listed entities.

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

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

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

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

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2019 stood at ₹ 8,132.23 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the company hold instruments convertible into equity shares of the Company.

BUSINESS GROWTH

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the Accounts for the financial year ended 31st March 2019 on a 'going concern' basis;

(v) they have laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and are operating effectively;

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and are operating effectively.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, IND AS is applicable to the Company from the Financial Year commencing from April 01, 2017. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019. Financial Statement has been prepared as per applicable Ind-AS.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

LISTING INFORMATION

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2019-20. The ISIN No. of the Company is INE297H01019.

CREDIT RATING

India Ratings and Research Private Limited has affirmed grade A (Stable) for credit rating of Term Loan and Grade A1 for working capital facilities.

FIXED DEPOSITS

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

AUDITORS & AUDITORS' REPORT

M/s. ALPS & Co., Chartered Accountants (ICAI Firm Registration No. 313132E), 310, Todi Chambers, 2, Lalbazar Street, Kolkata – 700001 statutory auditors of the Company was appointed as the Auditors of the Company at the 13th Annual General Meeting. As per the provisions of Section 139 of the Companies Act, 2013, Statutory Auditors of the Company hold office until the conclusion of the 5 years.

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

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

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

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

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

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

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

COST AUDIT

The Company has submitted the Cost Audit Report and Cost Compliance Report for the year 2017-18 duly certified by a Cost Accountant to the Central Government within the due date. M/s. U. Tiwari & Associates, Cost Accountants were appointed with the approval of the Central Government to carry out the cost audit in respect of the Company for the financial year 2018-19.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee, has appointed M/s. U. Tiwari & Associates, Cost Accountants, as Cost Auditor of the Company for conducting the Cost Audit for the financial year 2019-20 on a remuneration of Rs. 50,000/- plus out of pocket expenses as mentioned in the Notice of 15th Annual General Meeting.

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

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

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

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

INSURANCE

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

INTERNAL COMPLAINT REGARDING SEXUAL HARRASSMENT

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

BOARD COMMITTEES

Details of Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee have been disclosed under Corporate Governance Report. Board of Directors has reconstituted all the above Committees and the same has been disclosed under Corporate Governance Report.

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

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

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under section 197(12) read with

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as '**Annexure-III** to this report.

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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

MARKET AND FUTURE PROSPECTS

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

DETAILS OF POLICIES

(i) Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The summary of Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The Remuneration Policy is uploaded on the website of the Company. The web link to the Remuneration Policy is as under: https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Nomination and Remuneration Policy/Remuneration Criteria Non-Executive Director-w.e.f. 01.04.2019.

(ii) Corporate Social Responsibility Policy (CSR)

The Board has, on the recommendation of the CSR Committee, approved the CSR Policy. The Company's CSR Policy is available on the Company's website www.gallantt.com and the same is also attached herewith as **Annexure - VI**.

As a part of its initiative under the "Corporate Social Responsibility" (CSR) drive, the Company has undertaken projects in the area of Health, Education and rural development, eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. Annual Report on CSR as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is also attached herewith as **Annexure-VII**.

(iii) Risk Management Policy

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

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

The web link to the Risk Management Policy is as under: https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Risk Management Policy-w.e.f. 01.04.2019.

(iv) Whistle Blower Policy – Vigil Mechanism

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

Officer under the vigil mechanism policy.

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

SECRETARIAL AUDITORS

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

ANNUAL EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

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

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

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

FAMILIARISATION PROGRAMME

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

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

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com under the Investors Corner of Gallantt Metal Limited under the link: https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Famaliarization Programme Imparted.

CODE OF CONDUCT

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

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

The full text of the Code is hosted on the Company's website www.gallantt.com under the Investors Corner of Gallantt Metal Limited under the link: https://www.gallantt.com/InvestorsCorner/ Gallantt Metal Limited/ Code of Conduct of BOD-w.e.f. 01.04.2019.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

Your Company has adopted a Code of Conduct for Prevention of Insider Trading and Code of Practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the "Code of Conduct" as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The full text of the Code is hosted on the Company's website www.gallantt.com under the Investors Corner of Gallantt Metal Limited under the link: https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Code of Conduct of Insider Trading-w.e.f. 01.04.2019

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

Thirteen (13) meetings of the Board of Directors of the Company were conducted during the financial year and Ten (10) meetings of the Audit Committee of the Board of Directors were conducted during the financial year. The details of board/committee/shareholders meetings are provided under the Corporate Governance Report which forms part of the Annual Report.

AUDIT COMMITTEE

The Audit committee of the Company as on the date of

this report is constituted of following Directors:

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

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

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

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

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

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

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

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

Sl. No.	Name	Status
1	GL Steel and Power Limited	Company has acquired entire shareholding of GL Steel and Power Limited and it has become Wholly Owned Subsidiary of the Company.
2	Gallantt Ispat Limited	Associate Company

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

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

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

Corporate Social Responsibility Committee of the Company is constituted of:

Mr. Jyotirindra Nath Dey, Chairperson,

Mr. Chandra Prakash Agrawal and

Mr. Dinesh Raghubirprasad Agarwal

KEY MANAGERIAL PERSONNEL

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

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

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Ind - AS on Consolidated Financial Statements read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Consolidated Audited Financial Statements and Consolidated Cash Flow Statement for the year ended March 31, 2019 are provided in the Annual Report.

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

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

BUSINESS RESPONSIBILITY REPORT

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

EXTRACT OF ANNUAL RETURN

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

RISK MANAGEMENT

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

Key Risk	Impact to Gallantt Metal Limited	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like Iron Ore, Coal, Chemicals, Scraps as well as finished goods used in the process of manufacturing.	The Company commands excellent business relationship with the business associates. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment slow growth in global economy	Impact on raw materials which are imported	We have internal procedure to mitigate the global adverse impact.
Interest Rate Risk	Any increase in interest rate can affect the finance cost	Any increase in interest rate can affect the finance cost. Dependence on debt is very minimum and we have surplus funds cushion to settle the entire debt in case the need arises. Further, the Company has repaid the Term Loan in full.
Foreign Exchange Risk	Your company does not have export sales. However, import raw materials from country outside India. Any volatility in the currency market can impact the overall profitability	The Company commands excellent business relationship with the sellers and suppliers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company.	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming five years.

Key Risk	Impact to Gallantt Metal Limited	Mitigation Plans
Competition Risk	Your company is always exposed to competition Risk from Steel and Ago Manufacturers across the region. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company, quality, cost, timely delivery and customer service.
Compliance Risk – Increasing regulatory requirements	Any default can attract penal provisions	By regularly monitoring and review of changes in regulatory framework. By monitoring of compliance through legal compliance Management tools and regular internal audit and secretarial audit.
Industrial Safety, Employee Health and Safety Risk	The Steel and Agro industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.

UNPAID AND UNCLAIMED AMOUNT OF DIVIDEND AND SHARE APPLICATION MONEY

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

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

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

a) Transfer of Unclaimed Dividend to IEPF:

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

b) Transfer of shares to IEPF:

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

BOARD OF DIRECTORS AND SENIOR EXECUTIVE

The Board of Directors comprises of Eight Directors of which four are Independent. In terms Section 152 of the Companies Act, 2013, Mr. Prashant Jalan (DIN: 06619739), liable to retire by rotation at the ensuing Annual General Meeting and eligible for re-election.

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

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

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

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

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

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

meets with the criteria of Independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013 and under Listing Regulations (as amended from time to time). Also, in the opinion of the Board, Director meets the criteria of Independence and qualifies for appointment as an Independent Director.

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

Appointment of Additional Independent Directors shall be ratified and confirmed by the Shareholders at the ensuing Annual General Meeting of the Company.

Independent Directors are appointed for five consecutive years and are not liable to retire by rotation in terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014. Mr. Chandra Prakash Agrawal is a Chairman and Managing Director of the Company as per the provisions of the Companies Act, 2013. Mr. Sandip Kumar Agarwal is Chief Financial Officer and is inter alia looking after the core finance function of the Company. Mr. Tarun Kumar Rathi is working in the capacity of Company Secretary and Compliance Officer.

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

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

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

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

S.N.	Name of KMP	Designation of KMP
1.	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
2.	Mr. Dinesh Raghubir Prasad Agrawal	Whole-time Director
3.	Mr. Prashant Jalan	Whole-time Director
4.	Mr. Sandip Kumar Agarwal	Chief Financial Officer
5.	Mr. Tarun Kumar Rathi	Company Secretary

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

TRANSFER TO RESERVES

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

RELATED PARTY TRANSACTIONS

The details of Related Party Transactions during the Financial Year ending 31.03.2019, being arm's length transactions have been reported in the financial statements and forms part of this report. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company and can be accessed through the website of the Company www.gallantt.com under the Investors Corner of Gallantt Metal Limited.

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

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

by the Audit Committee and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

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

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

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

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

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

Name of the Company	GALLANTT METAL LIMITED
New Corporate Identification Number (CIN)	L27109DL2005PLC350524
Registered Office Address	"GALLANTT HOUSE", I-7, Jungpura Extension, New Delhi, 110 014.
Contact Person for Correspondence	Mr. Tarun Kumar Rathi, Company Secretary and Compliance Office
Telefax No.	011-45048767
Email Id	csgml@gallantt.com
Website	www.gallantt.com
Head Office Address	"GALLANTT LANDMARK", AD Tower Compound, Bank Road, Gorakhpur – 273001, U.P.

OUTLOOK AND EXPANSION

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

Expansion Project:

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

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

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

Phase I Expansion:

Capacity in MTPA

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

PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

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

DECLARATION OF INDEPENDENCE

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

AWARD AND RECOGNITIONS

During the year Company/Management has received following awards, accolades and reconciliation:

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

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2019 till the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company. However, after approval of the Scheme of Amalgamation as above all the assets and liabilities of the Transferor Companies shall be transferred to the Company.

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

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

GENERAL

a) Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise; and

b) Your Company does not have any ESOP scheme for its employees/Directors.

CHANGE IN SHARE CAPITAL

There is no changes in the Share Capital during the year.

INTERNAL FINANCIAL CONTROLS

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

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

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

   Effective steps are taken by the Management to enable continuous monitoring of lead control

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

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

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

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

FRAUD REPORTING

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

ENVIRONMENT AND SAFETY

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

TRANSFER OF SHARES COMPULSORILY IN DEMAT MODE

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

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

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

(a) Procedure for Nomination and Appointment of Directors:

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

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

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

EMPLOYEES WELFARE

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

CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER DISCLOSURES

- The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies;
- None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors; and
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- In the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

ACKNOWLEDGEMENT

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

We also thank the Government of India, Government of Gujarat and all Other Government Agencies for their support during the year and look forward to the same in the future.

On behalf of the Board
C. P. Agrawal
Chairman

Place: Gorakhpur
Date: August 13, 2019

ANNEXURE - I TO THE DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

1. Statutory Mandate

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

2. Background

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

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

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

3. Policy

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

4. Dividend

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

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

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

i) Company's need of Capital Expenditures/ Investment;

ii) Cash Flow position.

Given that profits can be volatile, the Board will Endeavour to achieve stability, to the extent feasible, in the quantum of Dividend paid to Shareholders.

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

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

i) Current year's profit –
   a) after providing for depreciation in accordance with Sub-section (2) of Section 123 of the Companies Act, 2013 ("Act") and
   b) after transfer of such percentage of its profits for that Financial Year to reserves as may be required under the law and as the Board of Directors may deem fit; OR

ii) Carried Forward Balance in the Profit & Loss Account; OR

iii) Free Reserve as may be permitted under law; OR

iv) A combination of (i), (ii) and (iii) above.

5. Factors to be considered for declaration of Dividend

i) Capital Expenditure /Investment requirement of the Company for:
   a) New projects;
   b) Ongoing projects including expansion, renovation or modernisation etc.
   c) Acquisition of major fixed assets including land and buildings;
   d) Acquisition of any business entity etc.

ii) Payment of any major liability;

iii) Any other requirements for fund conservation;

iv) Agreement with lending institutions.

6. Revision in the Policy

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

7. General

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

ANNEXURE - II TO THE DIRECTORS' REPORT

A. CONSERVATION OF ENERGY

(a) **Energy Conservation Measures Taken**

Steps taken for conservation of energy:

Your Company continually taking necessary steps to absorb and adopt the latest technologies. These initiatives enable the facilities to become more efficient and productive as the company expands, thereby helps in energy conservation. All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy consumption. Energy Conservation continues to receive increased emphasis at all the units of the Company. Your Company's technical team monitors closely and vigorously various plants and equipments and suggests adoption of new and latest technology etc. and discuss to identify areas of improvement. In addition to the existing Energy Conservation measures, the Engineering and Production departments in each manufacturing unit work closely towards improving the efficiency of generation and also in the reduction in energy consumption. Additionally, constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings to transpire going forward.

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

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

FORM –A

Disclosure of Particulars with respect to conservation of energy

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

FORM –B

Disclosure of Particulars with respect to technology absorption

RESEARCH & DEVELOPMENT (R&D)

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. **Efforts, in brief, made towards technology absorption, adaptation etc.**
   - Absorbing and adapting latest technology in maintenance system.
   - Technical Interaction with expert.
   - Continuous efforts are being made towards improvements in existing production process.
2. **Benefits derived as a result of the above efforts**
   - Improvement in quality of products.
   - Cost reduction
   - Improvement in the existing process and productivity.
   - Knowledge of updated technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	2018-2019 (₹ in Lacs)	**2017-2018 (₹ in Lacs)**
Raw Materials	**26,500.08**	25,644.60
Stores, Chemical and Packaging Materials	**17.41**	-
Capital Goods	**-**	-
Expenditure in foreign currency	**386.90**	55.95
Earning in foreign currency	**-**	-

ANNEXURE - III TO THE DIRECTORS' REPORT

MANAGERIAL REMUNERATION

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

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

Name	Designation	Ratio to median remuneration of employees
Chandra Prakash Agrawal	Chairman & Managing Director	9.37 : 1
Dinesh Raghubirprasad Agarwal	Whole-time Director	152.97 : 1
Prashant Jalan	Director (Plant-Operation)	2.92 : 1
Nitin Mahavir Prasad Kandoi	Non-Executive Director	**N.A.***
Jyotirindra Nath Dey	Independent Director	**N.A.***
Richa Bhartiya	Independent Director	**N.A.***
Prasant Kankrania	Independent Director	**N.A.***
Sandip Kumar	Independent Director	**N.A.***

♦ Except sitting fees, no remuneration is paid to the Non-executive Independent Director.

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

Name	Designation	% increase
Chandra Prakash Agrawal	Chairman & Managing Director	**5.88%**
Dinesh Raghubirprasad Agarwal	Whole-time Director	**1,628.759%**
Prashant Jalan	Director (Sales & Marketing)	**0.04%**
Nitin Mahavir Prasad Kandoi	Director (Plant-Operation)	**N.A.***
Jyotirindra Nath Dey	Independent Director	**N.A.***
Richa Bhartiya	Independent Director	**N.A.***
Prasant Kankrania	Independent Director	**N.A.***
Sandip Kumar	Independent Director	**N.A.***
Sandip Kumar Agarwal	Chief Financial Officer	**1.02%**
Tarun Kumar Rathi	Company Secretary	**0.00%**

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

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

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

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

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

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

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

7.87% (Non-Managerial personnel) and -1.31% (Managerial Personnel)

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

Name	Designation	% increase	Comparison
Chandra Prakash Agrawal	Chairman & Managing Director	**5.88%**	The profit before tax for the financial year ended March 31, 2019 increased by 58.64% and the profit after tax for the financial year ended March 31, 2019 increased by 45.19%, whereas the increase in median remuneration is -9.56%. The average increase in median remuneration is in line with the performance of the company.
Dinesh Raghubirprasad Agarwal	Whole-time Director	**1,628.759%**	
Prashant Jalan	Director (Sales & Marketing)	**0.04%**	
Sandip Kumar Agarwal	Chief Financial Officer	**1.02%**	
Tarun Kumar Rathi	Company Secretary	**0.00%**	

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

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

(j) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; NIL

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

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

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

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

ANNEXURE - IV TO THE DIRECTORS' REPORT

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

Rs. In Lacs

Sl. No.	Date of Loan	Date of Board Resolution	Date of Special Resolution (if any)	Name of Borrower	Purpose for which the loan is porposed to be utilized by the receipient	Amount (in Lacs)	Rate of Interest	Security	Prevailing of yeidl of 1/3/5/10 year Government Security at the time of extending the loan
1	06-04-2018	31.03.18	–	GL Steel & Power Pvt Ltd	Principal Business Activity	80.00	9.25	NIL	7.175
2	21-04-2018	31.03.18	–	GL Steel & Power Pvt Ltd	Principal Business Activity	22.50	9.25	NIL	7.797
3	23-04-2018	31.03.18	–	Nihon Impex Pvt Ltd	Principal Business Activity	500.00	9.25	NIL	7.769
4	26-06-2018	12.05.18	–	A D Estate Developers	Principal Business Activity	1200.00	9.25	NIL	7.849
5	08-08-2018	12.05.18	–	A D Estate Developers	Principal Business Activity	200.00	9.25	NIL	7.793
6	16-08-2018	12.05.18	–	Nihon Impex Pvt Ltd	Principal Business Activity	500.00	9.25	NIL	7.876
7	27-08-2018	12.05.18	–	A D Estate Developers	Principal Business Activity	200.00	9.25	NIL	7.898
8	06-11-2018	12.05.18	27.09.18	Gallantt Ispat Ltd	Principal Business Activity	200.00	9.25	NIL	7.811
9	12-11-2018	12.05.18	27.09.18	Gallantt Ispat Ltd	Principal Business Activity	400.00	9.25	NIL	7.821

ANNEXURE - V TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forming Part of the Report of the Directors for the year ended 31st March, 2019

OVERVIEW OF THE ECONOMIC ENVIRONMENT

GLOBAL ECONOMY

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

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

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

INDIAN ECONOMY

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

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

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favorable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

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

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

India is forecast to become the world's fifth largest economy in 2019, reaching a total GDP size exceeding USD 3 trillion, and overtaking its former colonial ruler, the United Kingdom. By 2025, Indian GDP is also forecast to surpass Japan, which will make India the second-largest economy in the Asia-Pacific region," it said.

As India continues to ascend in the rankings of the world's largest economies, its contribution to global GDP growth momentum will also increase. India will also play an increasingly important role as one of the Asia-Pacific region's major economic growth engines, helping to drive Asian regional trade and investment flows.

While manufacturing sector's share in the GDP is still at 18 per cent against the target of 25 per cent, around 7.5 million persons are projected to join the Indian workforce per year on average over the next two decades.

INDUSTRY STRUCTURE AND DEVELOPMENTS

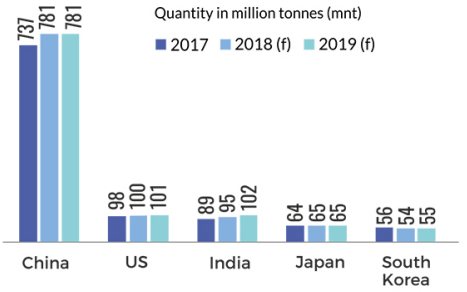
GLOBAL STEEL DEMAND

- After a contraction of -3.0% reported in 2015, global steel demand is continuously growing and as we are entering in 2019 the demand for steel is expected to remain on the positive side. While the robustness of steel demand recovery seen in 2017 was carried forwarded to 2018, risks have also increased. Rising trade tensions and volatile currency movements are increasing uncertainty in the global steel industry.
- The Short Range Outlook of the World Steel Association (world steel) projected that global steel demand will reach 1,657.9 Million Tonnes (mnt) in 2018, an increase of 3.9% over 2017. For year 2019, it is forecasting that global steel demand will grow

by 1.4% reaching to 1,681.2 mnt.

- The report is also forecasting that the demand for steel in the developed world remains healthy, while in the developing countries steel demand will continue to recover amid challenges.

Top 5 countries with highest steel demand: -



f: forecast | Figures till October 2018, finished steel products

➢ **Highest Y-o-Y steel consumption growth for India-**

➢ India's steel demand is increasing every consecutive year and in 2019, it is being forecasted by world steel that it will overtake the United States in steel demand. The demand will be supported by improving investment and infrastructure programmes.

INDIAN STEEL SECTOR

Rise in infrastructure development and automotive production are driving growth in the metals and mining sector in India. India has vast mineral potential with mining leases granted for longer durations of 20 to 30 years. India produces 95 minerals– 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals).

Mineral production in India grew at a CAGR of 5.72 per cent between 2013-14 and 2017-18E to reach US$ 17.62 billion in 2017-18.

India holds a fair advantage in cost of production and conversion costs in steel and alumina. The country is the 3rd largest steel producer with production of 101.4 million tonnes of crude steel in 2017. Crude Steel and Finished Steel production during 2017-18 was 103.13 million tonnes and 104.98 million tonnes respectively. India is the largest producer of sheet mica in the world and has the 7th largest bauxite reserves at around 2,908.85 million tonnes in FY17. Iron ore production in the country increased from 129.32 million tonnes in FY15 to 200.96 million tonnes in FY18. It is forecasted to grow at the rate of 5 per cent in FY19. In 2018-19, exports of iron and steel stood at US$ 9.74 billion.

National Mineral Policy 2019 launched for transparency, better regulation and enforcement, balanced social and economic growth into the sector.

The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the mining sector and exploration of metal and non-metal ores under the automatic route, which will propel growth in the sector. Power and cement industries also aiding growth in the metals and mining sector. Demand for iron and steel is set to grow, given the strong growth expectations for the residential and commercial building industry. By March 2019, 105 mineral blocks are expected to be auctioned.

HIGHLIGHTS OF INDIA'S STEEL INDUSTRY

- India was the world's second largest steel producer, as of 2018. The country is slated to surpass USA to become the world's second largest steel consumer in 2019. In FY18, India produced 104.98 million tonnes (MT) and 103.13 MT of finished steel and crude steel, respectively. Crude steel production between April 2018-February 2019(P) reached 97.15 million tonnes.
- India was also a net exporter of steel in FY18. Exports and imports of finished steel stood at 6.36 MT and 7.84 MT respectively in FY19 (P).
- Steel consumption is expected to grow 7.5 per cent year-on-year to 95.4 MT in 2018. India's steel production is expected to increase from 103.13 MT in FY18 to 128.6 MT by 2021.
- The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. Between April 2000 and December 2018, inflow of US$ 11.18 billion has been witnessed in the metallurgical industries as Foreign Direct Investment (FDI).
- India's per capita consumption of steel grew to 68.9 kgs, during 2017-18. National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31.

Rise in infrastructure development and automotive production are driving growth in the sector. Power and cement industries are also aiding growth in the metals and mining sector. Demand for iron and steel is set to continue, given the strong growth expectations for the residential and commercial building industry.

Global steel demand grew by 2.1%* in CY 2018, largely driven by China, coupled with an investment-led recovery in the advanced economies. Global crude steel production reached 1,808.6 million tonnes (MnT) in CY 2018, up 4.6% from CY 2017 levels, pushing capacity utilisation above 70%. Steel spreads were stronger in the first half of CY 2018, driven by strong economic

activity and further supported by ongoing trade tensions between major economies.

In the second half of CY 2018, moderation in the global economic growth led to softening of steel prices, thereby adversely impacting the spreads.

We, at Gallantt Metal, has the following production data of the Fiscal 2018-19 under the Steel Segment:

Steel Segment products wise	Production (in MT)
Sponge Iron	2,03,827.000
Billets	2,69,872.926
M. S. Bar	2,46,320.120
Missrolled Bar	4,598.080

OPPORTUNITIES AND THREATS

Steel industry or steel per se has huge demand all over the globe which makes it all the more difficult to fulfil that need. There are many benefits and opportunities for the steel industry. Many countries follow similar protocol which leads to the belief that they can make quite a bit of profit and still trade in order to gain more. Some of the most common opportunities are:

- Trade and Investment
- Bilateral Trade Agreements
- Export Support Mechanisms
- Local Content Levels
- Trade Finance

These are some of the self-explanatory opportunities that you cannot miss out in a steel industry.

The Government's continued focus on infrastructure creation, manufacturing and rural development is expected to lead to an accelerated momentum in the investment cycle and steel demand. The main factors that lead to a significant increase in demand for steel are new infrastructure developments and the growing needs of the increasing middle class in India specially in Uttar Pradesh, Bihar, Jharkhand and Delhi. The construction, automobile and manufacturing sectors will attract a high demand for steel over the next decade. The construction sector will be the key consumer of steel in the years to come. A competitive and efficient domestic steel industry is a pre-requisite for India to succeed in its industrial vision for 'Make in India'. We are working towards building a sustainable steel business that can withstand all challenges – present and future. Hence, it is important that we continue to be on the lookout for opportunities to invest wisely and build an enviable portfolio of steel assets. As a measure sustainable growth our proposal of expansion of capacity of various plants are under installation and technical team of the Company is working on it. Steel industry is likely to benefit from the new GST rate for steel which is at 18%, with key inputs like coal, iron ore marked at 5%, which is the lowest slab under GST, could help to lower input costs. Together, with a substantial slash in transport costs due to unified and standard tax rate under GST, this is likely to help steel companies keep steel prices stable.

Aimed at protecting the Indian domestic steel firms, the definitive anti-dumping duty imposed on imports of a clutch of hot-rolled and cold-rolled flat products of steel is likely to benefit domestic firms in more ways.

The availability of raw material at right price remains a concern for the steel sector and then there is the threat of cheap dumping from China, say experts and industry players. The government, however, is keeping a brave face and its focus areas for the new year include increasing per capital steel consumption, finding new markets for India-made steel and a shift in the industry's attention towards production of special steel. The Company has ample scope for commencing & executing its second phase expansion with its own resources & funds from markets. The availability of surplus alumina with your Company has put it altogether in a different platform and offers attractive opportunities for participating in the JVs of overseas smelters. The continuation of second generation liberalisation process and the ongoing globalisation trend is likely to bring ample opportunities for the company in playing a key role in metal trading, hedging, tolling, technology collaboration and in redefining new areas for applicationof its value added rolled products and chemical business.

The threat perceptions for the company include possible worsening of geopolitical scenario across the globe, political instability, great volatility in international prices, terrorism, slowdown of demand in China, reversal in global economic scenario and levy of antidumping duties on itsraw material import.

Threats and Risks

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Market is possible when consumption also increases. Our focus in the new year will be to increase the per capita steel consumption India and steel sector is considered very important for the overall economic health of the country, given its use in a number of key industries like automobile, process plants, capital goods and defence equipments.

Iron ore and coking coal are two key raw materials used in steel manufacturing, while coal is also used in a big way

by captive power plants to generate power. According to Indian Captive Power Producers Association (ICPPA), whose members include players from key sectors such as steel and aluminium, most captive power producers are facing severe shortage of the fuel which may lead to closure of plants. The coal-based steel, power and aluminium plants continue to face supply-related issues due to unavailability of adequate railway rakes.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

Major Product-wise Turnover

	FY 2018-19		FY 2017-18	
	Qty (MT/Unit)	Rs. in Lacs	Qty (MT)	Rs. in Lacs
Steel (MT)*	2,67,257.610	1,03,527.48	2,43,783.017	82,284.46
Power (Unit)	26,70,65,508	19,961.21	12,83,31,911	8,342.62
Unallocable	-	204.50	-	152.89

**Company has Integrated Steel Plant facilities at Samakhiyali, Kutch, Gujarat. Being an Integrated Steel Plant, Company, during the manufacturing process of end products of TMT Bars also manufactures Sponge Iron, Billets etc.*

OUTLOOK

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent1 in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

The Indian economy is likely to sustain the rebound in FY2018-19 – growth is projected to be in the 7.2 percent to 7.5 percent range and is estimated to remain upward of 7 percent for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has already surpassed France to become the sixth-largest economy. By 2019, it may become the fifth-largest economy, and possibly the third-largest in 25 years.

Road Ahead

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

RISK AND CONCERNS

Market is possible when consumption also increases. Our focus in the new year will be to increase the per capita steel consumption India and steel sector is considered very important for the overall economic health of the country, given its use in a number of key industries like automobile, process plants, capital goods and defence equipments.

Iron ore and coking coal are two key raw materials used in steel manufacturing, while coal is also used in a big way by captive power plants to generate power. According to Indian Captive Power Producers Association (ICPPA), whose members include players from key sectors such as steel and aluminium, most captive power producers are facing severe shortage of the fuel which may lead to closure of plants. "The coal-based steel, power and aluminium plants continue to face supply-related issues due to unavailability of adequate railway rakes.

There are multiple threats that a company like ours faces on a continuous basis. The swings on commodity prices, the volatility of several currencies across the world, the economic conditions of countries where our suppliers and buyers operate from and inter country trade issues are some of the uncertainties that we face frequently.

The company mitigates these risks by timely managerial intervention and by carefully to put in place robust risk mitigation strategies and incorporate agility in operations to meet temporary headwinds and create opportunities of growth.

New entities posing competition are taking shape on a local level. To overcome this risk, the Company strives to keep its feet grounded on its core values and satisfy customers' need. The Company believes that if it keeps its customers happy, then it can deal with any competition.

Availability of Raw materials like Iron Ore, Coal etc. at a competitive cost is another area of concern for the Company. High cost of iron ore and coal impacting the EBITDA margin. Availability and cost of required grade of Iron ore are impacted by Global movement and parity of landed cost considering price, freight, tariff and exchange rates and also Domestic demand-supply gap, constraints and vendor actions. All these concern as well as Government policies and their impact on raw materials availability are being tracked regularly.

A safe and healthy working environment for all employees is the number one priority for every world steel member. Our policy is to help all our members reach our goal of an accident-free workplace.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUECY

The Company has well established internal control system commensurate with the size of the Company. The Company has entrusted the jobs of internal audit to outside professional accounting firms. The internal audit reports are discussed thoroughly by an independent Audit Committee constituted by the Board. Company has always adhered to the highest standards of compliance and governance and has put in place controls and an appropriate structure to ensure this. The Audit Committee of the Board also reviews the performance of the audit and compliance functions and reviews the effectiveness of controls and compliance with regulatory guidelines.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Revenue from Operations for the current year is 1,06,378.53 Lacs as compared to Rs. 84,558.04 Lacs in the previous year. The Profit before Tax for the year under review is Rs. 10,999.51 Lacs as against Rs. 6,933.53 Lacs in the previous year. Profit after Tax during FY 2018-19 stood at Rs. 7,162.65 Lacs as against Rs. 4,933.29 Lacs in the previous year.

Comparative chart of Segment wise Revenue and Profits are as under:

SEGMENT REVENUE (Rs. In lacs)			
	2019	2018	% Changes
Steel	1,06,378.53	84,558.04	25.81
Power	15,177.64	14,824.20	2.38
Unallocated	540.21	476.23	13.43
SEGMENT RESULTS (₹ In lacs)			
	2019	2018	% Changes
Steel	5,962.37	2,139.62	178.66
Power	5,095.92	4,973.84	2.45
Unallocated	540.21	476.23	13.43

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company adopted various governmental skill developmental programs to build and enhance capabilities and leading to enhanced motivation levels of the human resources. Good industrial relations reduce the industrial disputes. Disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Good industrial relations improve the morale of the employees. Employees work with great zeal with the feeling in mind that the interest of employer and employees is one and the same, i.e. to increase production. Every worker feels that he is a co-owner of the gains of industry. The employer in his turn must realize that the gains of industry are not for him along but they should be shared equally and generously with his workers.

Good industrial relations are maintained on the basis of cooperation and recognition of each other. It will help increase production. Wastage of man, material and machines are reduced to the minimum and thus national interest is protected.

The Company maintained harmonious industrial relations in all units of the Company during the financial year 2018-19.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, the significant changes in the financial ratios, compared to the previous year which are more than 25% as compared to the previous year, are summarised below:

Financial Ratio	FY 2018-19	FY 2017-18	Change (%)	Reason for change
Debtors Turnover	24.15	20.00	20.75	–
Inventory Turnover	8.27	6.56	26.20	Capacity expanded of various units and major turnover increased from the current fiscal.
Interest Coverage Ratio	33.96	15.77	135.31	Operating profit increased during the year due to capacity utilisation of expanded capacity and overall better performance of steel Industry.
Current Ratio	2.00	1.63	22.97	Due to amalgamation of wholly owned subsidiary and better profitability during the year, outside liabilities decreased significantly.

Financial Ratio	FY 2018-19	FY 2017-18	Change (%)	Reason for change
Debt Equity Ratio	0.17	0.36	-52.50	Due to amalgamation of wholly owned subsidiary the equity increased substantially
Operating Profit Margin (%)	10.60	8.71	21.76	–
Net Profit Margin (%)	6.70	5.80	15.47	–
Return on Net Worth (%)	14.88	11.97	24.31	Operating profit increased during the yar due to capacity utilisation of expanded capacity and over all performance of steel Industry.

CAUTIONERY STATEMENT

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future events. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. The Company assures no responsibility to publicly modify or revise any forward-looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

On behalf of the Board
Place: Gorakhpur **C. P. Agrawal**
Date: August 13, 2019 Chairman

ANNEXURE - VI TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY POLICY [PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013]

1. CONCEPT & CONTEXT

The purpose of this policy is to ensure Gallantt Metal Limited ("GML" or the "Company"), affiliates and associated companies; consistently operate in a manner that minimises detrimental impacts to society and the environment. Corporate Social Responsibility (CSR) has always been on the agenda of the Company. Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having New Worth of Rs. 500 Crores or more or Turnover of Rs. 1,000 Crore or more or Net Profit of Rs. 5 Crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and CSR Committee shall formulate and recommend Policy.

The CSR Committee so constituted formulated Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board of Directors (the "Board") of Gallantt Metal Limited acting upon the recommendation of its Directors and CSR Committee, has adopted the following policy and procedures with regard to the Company's Social Responsibility:

CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY

GML's continual aspirations to achieve and surpass the highest standards of conduct and corporate social responsibility are essential components of how we measure our success. GML strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. This policy clearly sets forth GML's social responsibility objectives and provides guidance on the social responsibilities of all individuals associated with the GML. GML's primary responsibility is to ensure the long-term success of the Gallantt Group through the adoption and management of good corporate social behaviour.

OBJECTIVES OF THE POLICY

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. The Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia provide the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

DEFINITIONS

"Act" means the Companies Act, 2013;

"Corporate Social Responsibility" means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014;

"Ministry" means the Ministry of Corporate Affairs;

"Net Profit" means net profit as defined in Section 135 of the Companies Act, 2013 and Companies Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

LIST OF CSR PROJECTS/PROGRAMS/ACTIVITIES

The policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills

especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

AREA OF ACTIVITY

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in the State of Uttar Pradesh, Bihar, West Bengal, Gujarat and such other state(s) in India wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

FUNDING AND QUANTUM OF AMOUNT FOR CSR

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The corpus would thus include 2% of average net profits, as aforesaid, any income arising therefrom and surplus arising out of CSR activities.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

THE PROCESS TO MONITOR SUCH PROJECTS OR PROGRAMS

The CSR Committee of the Board of Directors of the Company shall approve to the Board of Directors the projects and activities to be undertaken by the Company out of the activities stated hereinabove as per Schedule VII of the Companies Act, 2013.

The CSR Committee shall recommend from time to time the amount of expenditure to be incurred on the activities referred to hereinabove and to monitor the Corporate Social Responsibility Policy of the company from time to time. The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities to be undertaken by the Company. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and the same will be available to the Board of Directors of the Company.

Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company. The CSR Committee and persons / entities authorised by it will conduct the due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

THE PROCEDURES

1. As per the Regulations the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilised CSR allocation of a particular year will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.

   Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of subsection (3) of section 134 of the Act, shall specify the reasons for not spending the amount.

2. Annexure VII contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.

3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

PLANNING AND IMPLEMENTATION

- For the purpose of focusing its efforts in a continued and effectives, Education and Literacy Enhancement is identified as a main thrust area, besides other activities permitted under the Regulations.
- A list of CSR projects / programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/ sectors chosen and implementation schedules for the same.
- Identification of projects and the executing agency/ NGO will be made, inter alia, by assessing the following:

  1. Project Objectives
  2. Baseline Survey – As-is and To-be state basis, accordingly the outcome of the project will be measured.
  3. Implementation Schedules – Timelines for milestones of the project will need to be prescribed and agreed upon.
  4. Responsibilities and authorities.
  5. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.

- If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:

  a. The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided to it;

  b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.

- The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 Companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner(s)'.
- Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
- Company may collaborate or pool resources with other companies to undertake CSR activities within India. Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity.
- CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and / or through CSR Partner(s).
- While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:

  i. The CSR Partner(s) has a permanent office/ address in India;

  ii. The CSR Partner(s) is a Trusts, Societies, or Section 8 Company having an established track record of three years in undertaking similar CSR programmes or projects in pursuance with the relevant regulations;

  iii. Possesses a valid income-tax Exemption Certificate

  iv. The antecedents of the CSR Partner are verifiable

  v. Have requisite framework to report progress/ status of the projects on a quarterly basis on agreed parameters.

vi. Maintain a required level of auditable recordson the CSR initiatives conducted in conjunction with GML as agreed mutually.

REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months / such other intervals as deemed fit.

The Company will report in the prescribed format, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April, 2014.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of CSR Committee can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

ANNEXURE - VII TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs. : CSR Policy is available at website www.gallantt.com

   The focus areas of CSR Policy are as follows

   The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee:

   - Promoting education including special education especially among children, women, elderly and the differently abled and livelihood enhancement projects in backward areas;
   - Promoting health care including preventive health care and sanitation and making available safe drinking water;

2. Composition of the CSR Committee: Mr. Jyotirindra Nath Dey, Chairman, Mr. Chandra Prakash Agrawal and Mr. Dinesh Raghubir Prasad Agarwal.

3. Average net profit of the Company for the last three financial years: ₹ 4,706.59 Lacs.

4. Prescribed CSR expenditure (2% of the average net profit of the company for the last 3 financial years): ₹ 94.13 lacs.

5. Details of CSR spent during the financial year.

   a) Total amount to be spent for the financial year: ₹ 101.79 Lacs

   b) Amount unspent, if any,: NIL

   c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
1.	Contribution for Model Day Dchool at, Samakhyali, Kutch, Gujarat	Promoting Education etc.	Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution (District Education Office, Bhuj, Gujarat).	An amount of Rs. 15.000 Lacs has been paid for the programme.	Rs. 15.00 Lacs*	Rs. 264.16 Lacs*	Direct
2.	Water Pond construction and related activities for the benefit of villagers under the Government's "SUJLAM SUFLAM YOJNA".	Rural Development Programme.	Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution. (Area of Programme includes Adhoi, Samakhyali, Gharana, Ambaliyara etc., Gujarat)	An amount of Rs. 4.61 Lacs has been paid for the programme.	Rs. 4.61* Lacs	Rs. 268.77 Lacs*	Direct
3.	Building Contruction in the Rural area for the benefits of the villagers	Rural Development Programme.	Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution.	An amount of Rs. 5.00 Lacs has been paid for the programme.	Rs. 5.00* Lacs	Rs. 273.77 Lacs*	Direct
4.	Contribution for Animal welfare	Animal protection and welfare	Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution.	An amount of Rs. 2.57 Lacs has been paid for the programme.	Rs. 2.57* Lacs	Rs. 276.34 Lacs*	Direct

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programs were undertaken	Amount outlay (Budget project or programs wise)	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency (give details of implementing agency)
5.	Medical Camp at Samakhyali village for the benefit of the villagers.	Promoting health care including preventive health care and sanitation	Programme is undertaken in the backward and rural area of state of Gujarat under direct contribution.	An amount of Rs. 1.64 Lacs has been paid for the programme.	Rs. 1.64* Lacs	Rs. 277.98 Lacs*	Direct
6.	Construction of Toilet work in the village Ramdevpur, rural area of Gujarat	Promoting health care including preventive health care and sanitation	Programme is bundertaken in the backward and rural area of state of Gujarat under direct contribution.	An amount of Rs. 2.97 Lacs has been paid for the programme.	Rs. 2.97* Lacs	Rs. 280.95 Lacs*	Direct
7.	The Company is promoting Education Services for economically weaker sections through GALLANTT FOUNDATION TRUST	Promoting Education	Programme is undertaken in the local area of Gorakhpur, U.P.	An amount of Rs. 35.00 Lacs has been paid for the programme.	Rs. 35.00* Lacs	Rs. 315.95 Lacs*	Amount has been contributed to the following implementing agency: GALLANTT FOUNDATION (TRUST) for the Financial Year 2018-19. **Address of Trust:** Bargadwa, Vikas Nagar, Gorakhpur, Uttar Pradesh – 273001, India.
7.	Promoting health care including preventive health care and sanitation through SHREE AGGARSAIN NORTH EX WELFARE SOCIETY	Promoting health care including preventive health care and sanitation	Programme is undertaken in the local area of New Delhi, U.P.	An amount of Rs. 35.00 Lacs has been paid for the programme.	Rs. 35.00* Lacs	Rs. 350.95 Lacs*	Amount has been contributed to the following implementing agency: SHREE AGGARSAIN NORTH EX WELFARE SOCIETY (Non-Profit Organisation/Society) for the Financial Year 2018-19. **Address of Society: BD 5, Vishaka Enclave, Pitampura, New Delhi – 110034** India.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount. : Company has contributed the amount for the project but the amount was not spent by the NGO. However, the CSR Committee is monitoring the entire process.

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For CSR Committee, GALLANTT METAL LIMITED

Jyotirindra Nath Dey
Chairman of CSR Committee & Director
(DIN: 00180925)

Place: Gorakhpur
Date: 13.08.2019

ANNEXURE - VIII TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
GALLANTT METAL LIMITED
"GALLANTT HOUSE"
I-7, Jangpura Extension
New Delhi – 110014

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gallantt Metal Limited [CIN: L27109DL2005PLC350524] (hereinafter called the company). Secretarial Audit was conducted based on records made available to us, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion/understanding thereon.

2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we, on strength of those records, and information so provided, hereby report that in our opinion and understandings, the Company has, during the audit period covering the financial year ended on March 31, 2019, appears to have complied with the statutory provisions listed hereunder and also in our limited review, that the Company has proper and required Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

   We have examined the books, papers, minutes' book, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2019 according to the applicable provisions of:

   i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 and the rules made thereunder as applicable;

   ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv) Applicable provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder.

   v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-:

      a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

      b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; – Not Applicable as the Company did not issue any security during the financial year under review.

      d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees;

      e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company has not issued any debt securities during the financial year under review;

      f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued.

      g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

      h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

- Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

vi) Other Laws specifically applicable to the Company as under:

1. The Air (Prevention and Control of Pollution) Act, 1981
2. The Water (Prevention and Control of Pollution) Act, 1974
3. The Environment (Protection) Act, 1986
4. The Factories Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. The Minimum Wages Act, 1948
9. The Payment of Wages Act, 1936
10. The Payment of Bonus Act, 1965
11. The Legal Metrology Act, 2009
12. The Maternity Benefit Act, 1961 and
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

vi) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from its concerned department:

(a) Mines and Minerals (Development Regulation) Act, 1957 and other Acts/Rules as applicable to Mining activities;

(b) The Electricity Act, 2003 and rules issued thereunder;

(c) National Tariff Policy;

(d) Indian Boilers Act. 1923 and rules issued thereunder;

(e) Explosives Act, 1884 and rules issued thereunder;

(f) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;

(g) Applicable Labour laws and rules issued thereunder;

(h) Applicable Environment laws and rules issued thereunder;

(i) Applicable direct & indirect tax laws and rules issued thereunder;

(j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited pursuant to the The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations guidelines etc., having a major bearing on the Company's Affairs.

We further report that during the audit period there were no instances of:

i. Public / Right / Preferential issue of shares / debentures / sweat equity;

ii. Redemption / buy-back of securities;

iii. Foreign technical collaborations.

We further report that during the audit period:

i. Board of Directors of the Company has vide its resolution dated November 14, 2018 proposed the shifting of the Registered Office of the Company from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana). The proposal of the Board of Directors as above has been approved by the Shareholders at their Extra-ordinary General Meeting held on Friday, 4th January, 2019.

   The Regional Director (ER), Ministry of Corporate Affairs vide its order dated April 11, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. The Company has filed E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company from 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata – 700 069 (from the jurisdiction of Registrar of Companies, West Bengal) to "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014 (to the jurisdiction of Registrar of Companies, Delhi and Haryana).

   We further report that during the audit year the Company has sought the approval of its members for at the Extra-ordinary General Meetings (EGM):

   - Shifting of Registered Office from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana and alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.

We further report that our Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

Place: Gorakhpur
Date: 13.08.2019

This Report is to be read with our testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To

The Members,
GALLANTT METAL LIMITED

Our report of even date it to be read along with this supplementary testimony.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/ Company Secretary/Managing Director, and taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour Laws & Environment Laws.
8. We further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.

Anurag Fatehpuria
Company Secretary
ACS 34471; CP No. 12855

Place: Gorakhpur
Date: 13.08.2019

ANNEXURE - IX TO THE DIRECTORS' REPORT

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Sl. No.	Name of the Company	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of share-holding
1	GL Steel and Power Limited	NA	NA	5.88	(3.15)	216.01	216.01	Nil	Nil	Nil	Nil	Nil	Nil	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate	**Gallantt Ispat Limited**
1. Latest audited Balance Sheet Date	31.03.2019
2. Shares of Associate held by the company on 31.03.2019	GALLANTT ISPAT LIMITED
No.	7,25,19,920
Amount of Investment in Associate	4,260.20 lakhs
Extend of Holding %	25.68%
3. Description of how there is significant influence	
4. Reason why the associate/joint venture is not consolidated	By way of Ownership
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Consolidated
6. Profit / Loss for the year	15,359.57
i. Considered in Consolidation	
ii. Not Considered in Consolidation	3,271.54 lakhs
	Nil

As per our Report of even date
For **ALPS & Company**
Chartered Accountants
FRN. 001739C

(A. K. Khetawat)
Partner
Membership No.: 517195
Place : Gorakhpur
Dated : 13.08.2019

Chandra Prakash Agrawal — *Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal — *Whole-time Director*
Sandip Kumar Agarwal — *Chief Financial Officer*
Tarun Kumar Rathi — *Company Secretary*

ANNEXURE - X TO THE DIRECTORS' REPORT

Extract of Annual Return as on the financial period ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	**L27109DL2005PLC350524**
Registration Date	07/02/2015
Name of the Company	GALLANTT METAL LIMITED
Category /Sub-Category of the Company	Public Company limited by Shares/Indian Non-Government Company
Address	"GALLANTT HOUSE", I-7, Jungpura Extension, New Delhi, 110 014."
Whether listed Company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Registrars & Share Transfer Agents **Niche Technologies Pvt. Ltd.** 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com Website: www.nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of Main Product / Services	NIC Code of the Product	% to total turnover of the Company
1	**Steel**	**2410**	**87.13**
2	**Power**	**3510**	**12.43***

**Out of the Total Revenue from Operations and other Operating Income for the Financial Year 2018-19 ₹ 1,22,096.38 Lacs, Captive Power Plant contributes ₹ 15,177.64 Lacs (Approx. 12.43%).*

III.PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. N.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
1.	Gallantt Ispat Limited	L27109DL2005PLC350523	Associate	25.68	Section 2(6) of the Companies Act, 2013
2.	GL Steel and Power Limited	U27100GJ2007PLC052427	Subsidiary	100	Section 2(7) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**PROMOTERS**									
(1)	Indian									
	a) Individual / HUF	4514132	0	4514132	5.551	6140170	0	6140170	7.550	1.999
	b) Centran Government									
	c) State Government									
	d) Bodies Corporate	46802095	0	46802095	57.551	48546023	0	48546023	59.696	2.145
	e) Banks / Financial Institutions									
	f) Any Other									
	Sub-total (A)(1)	51316227	0	51316227	63.102	54686193	0	54686193	67.246	4.144
(2)	Foreign	—	—	—	—	—	—	—	—	—
	a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
	b) Other - Individuals	—	—	—	—	—	—	—	—	—
	c) Bodies Corporate	—	—	—	—	—	—	—	—	—
	d) Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
	e) Any Other									
	Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	51316227	0	51316227	63.102	54686193	0	54686193	67.246	4.144
B.	**PUBLIC SHAREHOLDING**									
(1)	Institutions									
	a) Mutual Funds	—	—	—	—	—	—	—	—	—
	b) Banks / Financial Institutions	—	—	—	—	—	—	—	—	—
	c) Central Governments	—	—	—	—	—	—	—	—	—
	d) State Governments	—	—	—	—	—	—	—	—	—
	e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
	f) Insurance Companies	—	—	—	—	—	—	—	—	—
	g) Foreign Institutional Investors (FII)	—	—	—	—	—	—	—	—	—
	h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
	i) Others (Specify)	—	—	—	—	—	—	—	—	—
	Alternate Investment Funds					16971	0	16971	0.021	0.021
	Sub-total (B)(1)	0	0	0	0.000	16971	0	16971	0.021	0.021

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2)	**Non-Institutions**									
	a) Bodies Corporate									
	i) Indian	21824554	0	21824554	26.837	18467094	0	18467094	22.709	-4.128
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3763235	531	3763766	4.628	3714373	31	3714404	4.568	-0.060
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4071565	0	4071565	5.007	4096959	0	4096959	5.038	0.031
	c) Others Specify									
	1. NRI	117698	0	117698	0.145	170513	0	170513	0.210	0.065
	2. Overseas Corporate Bodies									
	3. Foreign Nationals									
	4. Clearing Members	223514	0	223514	0.275	165190	0	165190	0.203	-0.072
	5. Trusts	5000	0	5000	0.006	5000	0	5000	0.006	0.000
	6. Foreign Bodies - D.R.									
	Sub-total (B)(2)	30005566	531	30006097	36.898	26619129	31	26619160	32.733	-4.165
	Total Public Shareholding (B) = (B)(1)+(B)(2)	30005566	531	30006097	36.898	26636100	31	26636131	32.754	-4.144
C.	**Shares held by Custodian for GDRs & ADRs**									
	GRAND TOTAL (A+B+C)	81321793	531	81322324	100.000	81322293	31	81322324	100.000	0.000

B. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	ANUPAM AGARWAL	20400	0.025	0.000	20400	0.025	0.000	0.000
2	ASHUTOSH AGARWAL	178591	0.220	0.000	178591	0.220	0.000	0.000
3	BRIJ MOHAN JOSHI	2500	0.003	0.000	2500	0.003	0.000	0.000
4	CHANDRA PRAKASH AGARWAL	300000	0.369	100.000	300000	0.369	100.000	0.000
5	DINESH KUMAR AGARWAL	210000	0.258	100.000	2307251	2.837	9.102	2.579
6	GALLANTT ISPAT LIMITED	39462895	48.527	0.000	39462895	48.527	0.000	0.000

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
7	HIPOLINE COMMERCE PRIVATE LIMITED	7339200	9.025	0.000	9083128	11.169	0.000	2.144
8	KARUNA JINDAL	5000	0.006	0.000	5000	0.006	0.000	0.000
9	KUSUM DEVI JALAN	19661	0.024	0.000	19661	0.024	0.000	0.000
10	NARAIN PRASAD AJITSARIA	2500	0.003	0.000	2500	0.003	0.000	0.000
11	NARESH CHANDRA AGARWAL	10000	0.012	0.000	9000	0.011	0.000	-0.001
12	NIDHI JALAN	24500	0.030	0.000	24500	0.030	0.000	0.000
13	NITIN KANDOI	10500	0.013	4.762	10500	0.013	4.762	0.000
14	OM PRAKASH JALAN	48279	0.059	0.000	48279	0.059	0.000	0.000
15	PREM PRAKASH AGARWAL	0	0.000	0.000	15995	0.020	0.000	0.020
16	PREM PRAKASH AGRAWAL HUF	32500	0.040	0.000	32500	0.040	0.000	0.000
17	PRIYA AGARWAL	100000	0.123	0.000	100000	0.123	0.000	0.000
18	PRIYANKA DAS	4898	0.006	0.000	4898	0.006	0.000	0.000
19	SANTOSH KUMAR AGARWAL	3105247	3.818	0.000	2605247	3.204	0.000	-0.614
20	SANTOSH KUMAR AGRAWAL HUF	110000	0.135	0.000	110000	0.135	0.000	0.000
21	SHARDA DEVI JALAN	2500	0.003	0.000	2500	0.003	0.000	0.000
22	SHRUTI KANDOI	17056	0.021	0.000	17056	0.021	0.000	0.000
23	SHYAMA AGRAWAL	190000	0.234	0.000	190000	0.234	0.000	0.000
24	SMRITI AGARWAL	10000	0.012	0.000	10000	0.012	0.000	0.000
25	SUBODH KUMAR JALAN	10000	0.012	0.000	10000	0.012	0.000	0.000
26	SUMESH KUMAR AGARWAL	100000	0.123	0.000	100000	0.123	0.000	0.000
27	UMA AGARWAL	0	0.000	0.000	13792	0.017	0.000	0.017
	T O T A L	**51316227**	**63.102**	**0.995**	**54686193**	**67.246**	**0.934**	**4.144**

C. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**ANUPAM AGARWAL**				
	a) At the Begining of the Year	20400	0.025		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			20400	0.025
2	**ASHUTOSH AGARWAL**				
	a) At the Begining of the Year	178591	0.220		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			178591	0.220

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	**BRIJ MOHAN JOSHI**				
	a) At the Begining of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
4	**CHANDRA PRAKASH AGARWAL**				
	a) At the Begining of the Year	300000	0.369		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			300000	0.369
5	**DINESH KUMAR AGARWAL**				
	a) At the Begining of the Year	210000	0.258		
	b) Changes during the year				
	Date Reason				
	11/05/2018 Transfer	2097251	2.579	2307251	2.837
6	**GALLANTT ISPAT LIMITED**				
	a) At the Begining of the Year	39462895	48.527		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			39462895	48.527
7	**HIPOLINE COMMERCE PRIVATE LIMITED**				
	a) At the Begining of the Year	7339200	9.025		
	b) Changes during the year				
	Date Reason				
	13/04/2018 Transfer	518864	0.638	7858064	9.663
	15/03/2019 Transfer	1225064	1.506	9083128	11.169
	c) At the End of the Year			9083128	11.169
8	**KARUNA JINDAL**				
	a) At the Begining of the Year	5000	0.006		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5000	0.006
9	**KUSUM DEVI JALAN**				
	a) At the Begining of the Year	19661	0.024		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			19661	0.024
10	**NARAIN PRASAD AJITSARIA**				
	a) At the Begining of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
11	**NARESH CHANDRA AGARWAL**				
	a) At the Begining of the Year	10000	0.012		
	b) Changes during the year				
	Date Reason				
	23/11/2018 Transfer	-1000	0.001	9000	0.011
	c) At the End of the Year			9000	0.011
12	**NIDHI JALAN**				
	a) At the Begining of the Year	24500	0.030		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			24500	0.030
13	**NITIN KANDOI**				
	a) At the Begining of the Year	10500	0.013		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10500	0.013
14	**OM PRAKASH JALAN**				
	a) At the Begining of the Year	48279	0.059		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			48279	0.059
15	**PREM PRAKASH AGARWAL**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	04/05/2018 Transfer	16000	0.020	16000	0.020
	17/08/2018 Transfer	-15	0.000	15985	0.020
	05/10/2018 Transfer	15	0.000	16000	0.020
	22/03/2019 Transfer	-5	0.000	15995	0.020
	c) At the End of the Year			15995	0.020
16	**PREM PRAKASH AGRAWAL HUF**				
	a) At the Begining of the Year	32500	0.040		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			32500	0.040
17	**PRIYA AGARWAL**				
	a) At the Begining of the Year	100000	0.123		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100000	0.123
18	**PRIYANKA DAS**				
	a) At the Begining of the Year	4898	0.006		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			4898	0.006
19	**SANTOSH KUMAR AGARWAL**				
	a) At the Begining of the Year	3105247	3.818		
	b) Changes during the year				
	Date Reason				
	13/04/2018 Transfer	-500000	0.615	2605247	3.204
	c) At the End of the Year			2605247	3.204
20	**SANTOSH KUMAR AGRAWAL HUF**				
	a) At the Begining of the Year	110000	0.135		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			110000	0.135
21	**SHARDA DEVI JALAN**				
	a) At the Begining of the Year	2500	0.003		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			2500	0.003
22	**SHRUTI KANDOI**				
	a) At the Begining of the Year	17056	0.021		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			17056	0.021
23	**SHYAMA AGRAWAL**				
	a) At the Begining of the Year	190000	0.234		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			190000	0.234
24	**SMRITI AGARWAL**				
	a) At the Begining of the Year	10000	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10000	0.012
25	**SUBODH KUMAR JALAN**				
	a) At the Begining of the Year	10000	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10000	0.012
26	**SUMESH KUMAR AGARWAL**				
	a) At the Begining of the Year	100000	0.123		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			100000	0.123
27	**UMA AGARWAL**				
	a) At the Begining of the Year	0	0.000		
	b) Changes during the year				
	Date Reason				
	11/05/2018 Transfer	13792	0.017	13792	0.017
	c) At the End of the Year			13792	0.017
	T O T A L	**51316227**	**63.102**	**54686193**	**67.246**

D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs) :

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**ASHU AGRAWAL**				
	a) At the Begining of the Year	244413	0.301		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			244413	0.301
2	**JAI LAKSHMI SOLVENTS PRIVATE LIMITED**				
	a) At the Begining of the Year	598795	0.736		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			598795	0.736
3	**LEXI EXPORTS PVT LTD**				
	a) At the Begining of the Year	11977179	14.728		
	b) Changes during the year				
	Date Reason				
	13/07/2018 Transfer	-5000	0.006	11972179	14.722
	20/07/2018 Transfer	-12000	0.015	11960179	14.707
	17/08/2018 Transfer	-29500	0.036	11930679	14.671
	c) At the End of the Year			11930679	14.671
4	**LIGHTHOUSE MERCHANTS PRIVATE LIMITED**				
	a) At the Begining of the Year	1225064	1.506		
	b) Changes during the year				
	Date Reason				
	15/03/2019 Transfer	-1225064	1.506	0	0.000
	c) At the End of the Year			0	0.000
5	**MAGENTA COMMERCE PRIVATE LTD**				
	a) At the Begining of the Year	479117	0.589		
	b) Changes during the year				
	Date Reason				
	14/09/2018 Transfer	77418	0.095	556535	0.684
	c) At the End of the Year			556535	0.684
6	**MUKESH KUMAR AGARWAL**				
	a) At the Begining of the Year	370086	0.455		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			370086	0.455
7	**NAJMUDDIN GULAMHUSEIN KHERAJ**				
	a) At the Begining of the Year	400000	0.492		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			400000	0.492
8	**RAGHUBIR PRASAD AGARWALLA**				
	a) At the Begining of the Year	184409	0.227		
	b) Changes during the year				
	Date Reason				
	15/03/2019 Transfer	63507	0.078	247916	0.305
	c) At the End of the Year			247916	0.305
9	**RICHIE CREDIT AND FINANCE PRIVATE LIMITED**				
	a) At the Begining of the Year	5020194	6.173		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			5020194	6.173

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	**SANJAY AGRAWAL**				
	a) At the Begining of the Year	363224	0.447		
	b) Changes during the year				
	Date Reason				
	27/04/2018 Transfer	2400	0.003	365624	0.450
	06/07/2018 Transfer	-15848	0.019	349776	0.430
	24/08/2018 Transfer	-60000	0.074	289776	0.356
	31/08/2018 Transfer	32164	0.040	321940	0.396
	14/09/2018 Transfer	-11947	0.015	309993	0.381
	21/09/2018 Transfer	-11428	0.014	298565	0.367
	29/09/2018 Transfer	-3589	0.004	294976	0.363
	05/10/2018 Transfer	-1300	0.002	293676	0.361
	02/11/2018 Transfer	-300	0.000	293376	0.361
	23/11/2018 Transfer	2666	0.003	296042	0.364
	22/02/2019 Transfer	120	0.000	296162	0.364
	c) At the End of the Year			296162	0.364
11	**SANJAY AGRAWAL**				
	a) At the Begining of the Year	201568	0.248		
	b) Changes during the year				
	Date Reason				
	21/09/2018 Transfer	-10000	0.012	191568	0.236
	23/11/2018 Transfer	-1191	0.001	190377	0.234
	30/11/2018 Transfer	-1000	0.001	189377	0.233
	c) At the End of the Year			189377	0.233
12	**WALLSTREET DISTRIBUTOR PRIVATE LIMITED**				
	a) At the Begining of the Year	1985569	2.442		
	b) Changes during the year				
	Date Reason				
	13/04/2018 Transfer	-510000	0.627	1475569	1.814
	20/04/2018 Transfer	-1325000	1.629	150569	0.185
	27/04/2018 Transfer	-119215	0.147	31354	0.039
	04/05/2018 Transfer	-31354	0.039	0	0.000
	c) At the End of the Year			0	0.000
	T O T A L	**23049618**	**28.344**	**19854157**	**24.414**

E. Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**CHANDRA PRAKASH AGARWAL**				
	a) At the Begining of the Year	300000	0.369		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			300000	0.369
2	**DINESH KUMAR AGARWAL**				
	a) At the Begining of the Year	210000	0.258		
	b) Changes during the year				
	Date Reason				
	11/05/2018 Transfer	2097251	2.579	2307251	2.837
	c) At the End of the Year			2307251	2.837
3	**NITIN KANDOI**				
	a) At the Begining of the Year	10500	0.013		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			10500	0.013
4	**SANDIP KUMAR AGRAWAL**				
	a) At the Begining of the Year	9396	0.012		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			9396	0.012
	T O T A L	**529896**	**0.652**	**2627147**	**3.231**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in lacs

Particulars	Secured Loan excluding Deposit	Unsecured Loan	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	5,469.60	–	–	5,469.60
(ii) Interest due but not paid	–	–	–	–
3.Interest accrued but not due	–	–	–	–
Total (1+2+3)	5,469.60	–	–	5,469.60
Change in Indebtedness during the Financial Year				
• Addition	–	–	–	–
• Reduction	343.11	–	–	343.11
Net Change	343.11	–	–	343.11
Indebtedness at the end of the financial year				
(i) Principal Amount	5,126.49	–	–	5,126.49
(ii) Interest due but not paid	–	–	–	–
3.Interest accrued but not due	–	–	–	–
Total (1+2+3)	5,126.49	–	–	5,126.49

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Chandra Prakash Agrawal	Dinesh Raghubirprasad Agarwal	Prashant Jalan	
1	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	21.60 –	21.60 –	6.73 –	**49.93** **–**
2	**Commission**	–	331.07	–	**331.07**
3	**Others –Remuneration benefits**	–	–	–	**–**
	Total (A)	**21.60**	**352.67**	**6.73**	**381.00**

B. Remuneration to Other Directors (All being Independent except Mr. Nitin Mahabir Prasad Kandoi)

	Particulars of Remuneration	Name of Directors					Total Amount
		Nitin Mahabir Prasad Kandoi	Jyotirindra Nath Dey	Prasant Kankrania	Richa Bhartiya	Sandip Kumar	
1	Fees for attending Board/ Committee Meetings	14,000	52,000	42,000	42,000	16,000	1,66,000
2	Commission	–	–	–	–	–	–
3	Others	–	–	–	–	–	–

C. Remuneration to Key Managerial Personnel

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Sandip Kumar Agarwal	Tarun Kumar Rathi	
1	**Gross Salary** (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	13.34 –	4.94 –	18.28 –
2	**Others –Remuneration benefits**	–	–	–

VII PENALTIES / PUNISHMENT/COMPOUNDING DURING THE FINANCIAL YEAR

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
B. Directors					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
C. Other Officers in Default					
Penalty	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Punishment	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Compounding	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE OVERNANCE PHILOSOPHY

Corporate Governance is an ethically driven business process that is committed to values, aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Achievement of excellence in good Corporate Governance practices requires continuous efforts and focus on its resources, strengths and strategies towards ensuring fairness and transparency in all its dealings with its stakeholders including society at large. Gallantt Metal's governance philosophy is based on trusteeship, transparency and accountability. The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board.

The Company has complied with the principles and practices of good Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations".

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of the Listing Regulations is given below:

2. BOARD OF DIRECTORS

2.1 Composition

The Board composition is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('the Listing Regulations') and the Companies Act, 2013 ("the Act"). The Company's Board has an optimum combination of Executive and Non-Executive Directors including a Woman Director. The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations.

As on March 31, 2019 your Company's Board comprised of 8 Directors (out of which four of the Directors are Non-Executive Independent Directors and one is Non-Executive Non-Independent Director) with Mr. Chandra Prakash Agrawal as Executive Chairman. The position of Chairman of the Board and Managing Director of the Company are held by same individual Mr. Chandra Prakash Agrawal.

The composition of the Board as on March 31, 2019 is as follows:

- Executive Directors - 3
- Non Executive Independent Directors - 4

	Names of the Director	% to the total number of Directors
I)	**Independent Director**	50%
	Mr. Prasant Kankrania*	
	Mr. Sandip Kumar*	
	Mr. Jyotirindra Nath Dey	
	Mrs. Richa Bhartiya	
II	**Non-Executive Non-Independent Director**	12.5%
	Mr. Nitin Mahavir Prasad Kandoi	
III	**Executive Director**	37.5%
	Mr. Chandra Prakash Agrawal	
	Mr. Dinesh Raghubirprasad Agarwal	
	Mr. Prashant Jalan	

**Mr. Prasant Kankrania and Mr. Sandip Kumar tendered their resignation from the Directorships of the Company effective from April 29, 2019.*

Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director of the Company effective from April 29, 2019.

Mr. Dindayal Jalan (DIN: 00006882) has been appointed as Additional Independent Director on the Board of the Company effective from June 23, 2019.

The composition of the Board reflects the judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company. The Board is balanced comprising Executive and Non-Executive Directors. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. The Board periodically evaluates the need for change in its size and composition to ensure that it remains aligned with statutory and business requirements.

None of the Directors are related to each other. However, relative of Mr. Dinesh Raghubir Prasad Agarwal is employed in the Company.

At their meeting held on March 30, 2019, Mr. Prashant Jalan has been reappointed as a Whole-time Director for a period of three years effective from August 12, 2019 subject to the approval of the shareholders of the Company. The said reappointment shall be approved by the Shareholders at the ensuing 15th Annual General Meeting of the Company.

None of the Directors on the Board is a member of more than ten Committees or Chairman of five Committees (committees being Audit Committee and Stakeholders Relationship Committee) across all the Indian Public Companies in which he/she is a Director. Necessary disclosures regarding their Committee positions have been made by all the Directors.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and that they are Independent of the management.

2.2 Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website www.gallantt.com.

2.3 Meetings

During the financial year 2018-19, Seven Board Meetings were held. These were held on 12.05.2018, 21.05.2018, 11.08.2018, 25.10.2018, 14.11.2018, 07.02.2019 and 30.03.2019. The maximum time gap between any two board meetings was less than 120 days.

2.4 Changes during the Year

Mr. Prasant Kankrania and Mr. Sandip Kumar tendered their resignation from the Directorship of the Company effective from April 29, 2019. Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) has been appointed as an Additional Independent Director of the Company effective from April 29, 2019. Mr. Dindayal Jalan (DIN: 00006882) was appointed as Additional Independent Directors on the Board of the Company effective from June 23, 2019.

2.5 Re-appointment of Directors Proposed at upcoming AGM:

In terms Section 152 of the Companies Act, 2013, Mr. Prashant Jalan (DIN: 06619739), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming Annual General Meeting.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149 (11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. Tenure of Mrs. Richa Bhartiya as an Independent Director will end on November 11, 2019 and Board of Directors, in accordance with the recommendation of the Nomination and Remuneration Committee, has proposed her reappointment the forthcoming 15th Annual General Meeting for a Second Term of 5 (Five) years through Special Resolution.

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of the proposed appointee / reappointee are given in the Explanatory Statement attached to the Notice of 15th AGM of the Company.

2.6 Other Directorships and Committee Memberships:

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2019 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting (27/09/2018) Attended	No. of Board Meetings Attended out of 7 meetings held during the year	No. of other directorships in public companies as on 31/03/2019	No. of other Board Committees in which he is a member or Chairperson (Other than Gallantt Metal) As on 31/03/2019	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	No	6	1	Nil	Nil
Mr. Dinesh Raghubir Prasad Agarwal, Whole-time Director (DIN: 01017125)	Executive/ Promoter	No	7	1	Nil	Nil
Mr. Prashant Jalan Whole-time Director (DIN: 06619739)	Executive / Non-Promoter	No	7	Nil	Nil	Nil
Mr. Nitin Mahavir Prasad Kandoi Whole-time Director (DIN:01979952)	Non-Executive/ Promoter	No	7	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	7	2	1	3
Mr. Prasant Kankrania Director (DIN: 05241947)*	Non-Executive/ Independent	Yes	7	Nil	Nil	Nil
Mrs. Richa Bhartiya Director (DIN: 06905283)	Non-Executive/ Independent	No	7	Nil	Nil	Nil
Mr. Sandip Kumar Director (DIN: 08088624)*	Non-Executive/ Independent	Yes	7	Nil	Nil	Nil

****** *Mr. Prasant Kankrania and Mr. Sandip Kumar, Non-Executive Independent Directors of the Company tendered their resignation from the Directorships of the Company effective from April 29, 2019.*

Mr. Nitin Mahavir Prasad Kandoi was not holding Chairmanship or Membership of Audit Committee or Stakeholders Relationship Committee in the Company as on March 31, 2019. However, with effect from June 23, 2019, Mr. Nitin Mahavir Prasad Kandoi has been appointed as a Member of Audit Committee and Nomination and Remuneration Committee and Chairperson of Stakeholders Relationship Committee of the Company.

Notes:

- Mr. Sandip Kumar, Mr. Jyotirindra Nath Dey, Mr. Prasant Kankrania and Mrs. Richa Bhartiya have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.
- Other Directorships of only Indian Public Limited Companies have been considered.
- In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of two Committees viz. Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.

Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Sl. No.	Name of Director	Name of other listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)	Executive Director
2	Mr. Dinesh Raghubir Prasad Agarwal, Whole-time Director (DIN: 01017125)	None	-
3	Mr. Prashant Jalan Whole-time Director (DIN: 06619739)	None	-
4	Mr. Nitin Mahavir Prasad Kandoi Whole-time Director (DIN:01979952)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)	Executive - Director
5	Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	1. Gallantt Ispat Limited (CIN: L27109DL2005PLC350523)**#** 2. Concrete Credit Limited (CIN: L17299WB1981PLC033782)	Non-Executive Independent Director
6	Mr. Prasant Kankrania Director (DIN: 05241947)*	None	-
7	Mrs. Richa Bhartiya Director (DIN: 06905283)	None	-
8	Mr. Sandip Kumar Director (DIN: 08088624)*	None	-

** Resigned details given above.*

 # Resigned from Gallantt Ispat effective from June 23, 2019.

2.7. Skills / Expertise / Competencies of the Board of Directors

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

i) Knowledge on Company's businesses (Steel and Power), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates;

ii) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company;

iii) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making;

iv) Financial and Management skills;

v) Technical / Professional skills and specialized knowledge in relation to Company's business

2.8 Information supplied to the Board

The agenda is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board members to take informed decisions. During the financial year 2018-19, all necessary information, as required under the applicable provisions of the Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and SS-1 ("Secretarial Standard on Meetings of the Board of Directors") and other applicable laws, rules and regulations were placed and discussed at the Board Meetings. The Board also reviews the declarations made regarding compliance with all applicable laws and reviews the related compliance reports.

2.9 Separate Meeting of Independent Directors:

As per the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and the SEBI Listing Regulations, Independent Directors of the Company held one meeting without the attendance of non-independent directors. The meeting, inter alia, has taken following business:

1. Review of performance of non-independent directors and the Board as a whole;

2. Review of performance of the Chairperson of the Company, taking into account the views of the executive and independent directors;
3. Assessment of quality, quantity and timeliness of flow of information between the company management and the Board.

Holding of the separate Board meeting is mandatory as required under Section 149 read with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations.

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices. Further, the Board fulfills the key functions as prescribed under the Listing Regulations.

During the financial year 2018-19, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on March 30, 2019 whereby, all the Independent Directors were present and without the presence of the Non-Independent Directors and the members of the management of the Company.

2.10 Shareholding of Directors Including Non-Executive Directors

The details of shares held by the Directors of the Company in their individual names as on March 31, 2019 are furnished below:

Sr. No.	Name of Directors	No. of Shares held
1.	Mr. Chandra Prakash Agrawal	3,00,000
2.	Mr. Dinesh Raghubir Prasad Agarwal	23,07,251
3.	Mr. Prashant Jalan	NIL
4.	Mr. Nitin Mahavir Prasad Kandoi	10,500
5.	Mr. Jyotirindra Nath Dey	NIL
6.	Mr. Sandip Kumar	NIL
7.	Mr. Prasant Kankrania	NIL
8.	Mrs. Richa Bhartiya	NIL

None of the non-executive directors held any shares in the Company during the year ended March 31, 2019.

2.11 Induction and Familiarization Program for Directors

Your Company follows a structured orientation and familiarization programme through various reports/ codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

The details of familiarisation programme have been posted in the website of the Company www.gallantt.com

2.12 Independent Directors

Your Company appointed Independent Directors having expertise/experience in their respective field/ profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

All Independent Directors maintain their limits of directorships as required under Listing Regulations. The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company www.gallantt.com.

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company viz. Mr. Prasant Kankrania, Mr. Jyotirindra Nath Dey, Mr. Sandip Kumar and Mrs. Richa Bhartiya have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations. Also, newly appointed Directors Mr. Dindayal Jalan and Mr. Ashtbhuja Prasad Srivastava have also given the said declaration.

2.13 Board Procedures

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members are, on a quarterly basis, apprised by the Managing Director on the overall performance of the Company through presentations and detailed notes.

Time gap between two consecutive meetings does not exceed 120 days. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. In special and exceptional circumstances, additional or supplementary agenda items are taken-up for discussion with the permission of the Chairman. The members of the Board or

Committees are free to suggest any item to be included in the agenda, in addition to exercising their right to bring up matters for discussion at the meeting with permission of the Chairman.

The Senior Management Personnel are invited to the Board/ Committee Meetings to apprise and update the members on the items being discussed at the meeting. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board Members at the meetings.

2.14 Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

- The ability to contribute to and monitor our corporate governance practices.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.
- performance of the directors
- fulfillment of the independence criteria as specified in these regulations and their independence from the management.

The criteria for the performance evaluation included the following:

- **The Board –** Structure, composition and quality of Board, Board meeting schedule, agenda and collaterals, board meeting practices and overall board effectiveness.
- **Board Committees –** Composition, charter, information flow and effectiveness of the meetings, recommendation to the Board, etc.
- **Individual Directors –** Attendance at the meetings, preparedness for discussion, quality of contribution, engagement with fellow board members, KMPs and senior management, etc.
- **The Chairman -** The Chairman was additionally evaluated on few parameters such as leadership provided to the Board, promoting effective participation of all board members in the decision making process, etc.

The Independent Directors had their meeting on March 30, 2019 to assess the performance of the Board and committees as a whole and for the assessment of Executive Chairperson, Executive Director, Non-executive director, Board and Committees as a whole.

2.15 Non-executive Directors' compensation and disclosures

Except sitting fees for attending meetings of Board and Committee thereof, Non-executive Directors (including Independent Directors) are not paid fixed fees/ remuneration.

2.16 Other Provisions as to Board and Committees

The Board met twelve times during the year and the time gap between any two meetings did not exceed 120 days.

2.17 Independent Directors confirmation by the Board

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI LODR Regulations 2015. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. https://www.gallantt.com

2.18. Policy for Selection and Appointment of Directors and their Remuneration

Nomination and Remuneration Committee, inter alia, deals with the manner of selection of Board of Directors and payment of their remuneration.

2.19 Criteria of Selection of Independent Directors

The Nomination and Remuneration Committee considers, inter alia, the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Independent Director:

- Qualification, expertise and experience in their respective fields.
- Personal characteristics which align with the Company's values, such as integrity, accountability, financial literacy, high performance standards, etc.
- Diversity of thought, experience, knowledge, perspective and gender in the Board.
- Such other criteria as prescribed in the Corporate Governance Guidelines of the Company or prescribed by the Board from time to time.

In case of appointment of Independent Directors, the Nomination and Remuneration Committee satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively. The Nomination and Remuneration Committee ensures that the candidates identified for appointment as Directors are not disqualified for appointment under Section 164 and other applicable provisions of the Companies Act, 2013.

Further pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, it is

hereby confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified SEBI LODR Regulations 2015 read with Amendments thereof and are independent of the management.

2.20 Chart/matrix setting out the skills/expertise/ competence of the Board of Directors

Pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, below are the list of core skills/expertise/competencies identified by the Board of Directors for the year under review as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

S.N.	Category	Core skills/expertise/ competencies identified by the Board of Directors	Available with the Board
1.	Understanding of Business/Industry	Experience and knowledge of Steel, Power, Agro and Real Estate Business.	Yes
2.	Financial	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.	Yes
3.	Leadership	Leadership experience for understanding of business nuisance and organizational challenges. Quality of strategic planning, and risk management for long-term growth.	Yes
4.	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.	Yes
5.	Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.	Yes
6.	Sales and marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance Company's reputation.	Yes
7.	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies.	Yes

2.21 Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided: During the reporting period/year Mr. Sandip Kumar (date of resignation 29.04.2019), and Mr. Prasant Kankrania (date of resignation 29.04.2019) have tendered their resignation from the Directorship of the Company. These Directors resigned from the Directorship due to their personal reason and other engagements. Further, they have confirmed that there are no other material reasons other than those provided. Hence, based on their declaration, this is to confirm that resignation of all the above Directors were due to their personal reasons and other engagements and that there are no other material reasons other than those provided for their resignation from the Directorship of the Company.

Further, this is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.

2.22 Succession Planning

We have an effective mechanism for succession planning which focuses on orderly succession of Directors, including Executive Directors and other senior management team and executive officers. The Nomination and Remuneration Committee implements this mechanism in concurrence with the Board.

2.23 Committees of Board of Directors

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various Committees to deal with specific areas/ activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good

governance practice. The minutes of the meetings of all committees are placed before the Board for review.

Your Company has five Board level committees:

a) Audit Committee

b) Nomination & Remuneration Committee

c) Stakeholders' Relationship Committee

d) Corporate Social Responsibility Committee

3. CODE OF CONDUCT

Details of the Code of Conduct for Board members and senior management of the Company is available on the Company's website www.gallantt.com.

Annual declaration signed by the Managing Director of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to the Annual Report.

4. AUDIT COMMITTEE

In terms of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, Audit Committee of the Board of Directors presently consists of three Non-executive Independent Directors. The role of the Audit Committee is to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as are required in terms of the Companies Act, 2013 and SEBI Listing Regulations.

Constitution of the Audit Committee complies with requirements of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with all members being financially literate and most having accounting or related financial management expertise.

4.1 Composition

As on date of reporting, the Audit Committee comprises of three (3) Directors. The members of the Audit Committee are Mrs. Richa Bhartiya (Chairperson), Mr. Jyotirindra Nath Dey and Mr. Nitin Mahavir Prasad Kandoi, all of whom possess accounting and financial management expertise/ exposure. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Audit Committee.

As on March 31, 2019, the Audit Committee comprised of three Independent Directors viz. Mr. Prasant Kankrania (Chairman), Mr. Jyotirindra Nath Dey and Mrs. Richa Bhartiya. Mr. Prasant Kankrania has resigned from the Board of the Company. The Audit Committee has been reconstituted on June 23, 2019 by introduction of Mr. Nitin Mahavir Prasad Kandoi, Non-Executive Non-Independent Director as a Member and appointment of Richa Bhartiya as a Chairperson.

Mr. Prasant Kankrania, the then Chairman – Audit Committee was present at the Annual General Meeting held on Thursday, September 27, 2018.

Company Secretary, Chief Financial Officer, Internal Auditors, Statutory Auditors, Cost Auditors, Manager Accounts attend meetings of the Committee as invitees.

4.2 Power of Audit Committee

The "Audit Committee" shall have the following powers:

To investigate any activity within its terms of reference;

To seek information from any employee;

To obtain outside legal or other professional advice; and

To secure attendance of outsiders with reasonable expertise, if considered necessary.

4.3 Role/Terms of Reference of Audit Committee

The Terms of Reference of the Audit Committee are as under:

Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending for appointment, remuneration and terms of appointment of auditors of the company.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act 2013;

Changes, if any, in accounting policies and practices and reasons for the same;

Major accounting entries involving estimates based on the exercise of judgment by management;

Significant adjustments made in the financial statements arising out of audit findings;

Compliance with listing and other legal requirements relating to the financial statements;

Disclosure of any related party transactions;

Qualifications in the draft audit report.

Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than

those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Reviewing and monitor the auditor's independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors of any significant findings and follow up there on;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

To review the functioning of the Whistle Blower mechanism;

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

The Audit committee to review utilisation of loans and/ or advances from investment by holding company in subsidiary company exceeding INR 100 crores or 10% of asset size of subsidiary, whichever is low.

The Audit Committee of the Board shall review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of Deviations:

a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange (s) in terms of Regulation 32(1) of SEBI LODR Regulations, 2015.

b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of SEBI LODR Regulations,2015.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

The minutes of each Audit Committee are placed and discussed at the meeting of the Board. The Audit Committee role, powers, function etc. of the Audit Committee has been reconstituted in accordance with Section 177 of the Companies Act, 2013 and Listing Regulations. The recommendations of the Audit Committee are placed before the Board for its consideration and approval. All the recommendations made by the Audit Committee were accepted by the

Board.

4.4 Meetings and Attendance

A total of Six (6) Audit Committee Meetings were held in the financial year 2018–19. The meetings were held on 12.05.2018, 21.05.2018, 11.08.2018, 25.10.2018, 07.02.2019 and 30.03.2019.

The composition of the Committee and details of attendance at the Meetings are as follows:

Names	Designation	Category	Committee Meeting Attended
Mr. Prasant Kankrania*	Chairman	Independent	6
Mr. Jyotirindra Nath Dey	Member	Independent	6
Mrs. Richa Bhartiya **	Member	Independent	6

**Resigned on April 29, 2019*

***Appointed as a Chairperson effective from June 23, 2019*

Audit Committee has powers prescribed under Regulation 18(3) of the Listing Regulations and the scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation. Audit Committee also mandatorily reviews the information prescribed under Part C of Schedule III.

Cases of non-acceptance by the Board of Directors, of any recommendation of the Audit Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the Board has constituted Stakeholders' Relationship Committee **("SRC")**. As per the Listing Regulations, the Committee shall specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

5.1 Composition

During the year ended 31st March, 2019, the Stakeholders Relationship Committee comprised of Mrs. Richa Bhartiya, an Independent Director, as the Chairperson and Mr. Prasant Kankrania and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

A status report of shareholder complaints and redressal thereof is prepared and placed before the Stakeholders Relationship Committee. The shareholders/investors can register shares related complaints, if any, in the e-mail Id csgml@gallantt.com designated exclusively for the purpose.

5.2 Terms of Reference

- specifically look into the redressal of grievances of shareholders, debenture holders and other security holders.
- consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- to look in to various aspects of interest of shareholders and other security holders
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders

5.3 Meetings and Attendance

A total of Three (3) Stakeholders Relationship Committee Meeting was held in the financial year 2018–19. The meetings were held on 12.05.2018, 18.12.2018 and 30.03.2019.

The composition of the Committee and details of attendance at the Meetings are as follows:

Names	Designation	Category	Committee Meeting Attended
Mrs. Richa Bhartiya	Chairperson	Independent	3
Mr. Prasant Kankrania*	Member	Independent	3
Mr. Jyotirindra Nath Dey	Member	Independent	3

**Mr. Prasant Kankrania tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Chairmanship of the Stakeholder Relationship Committee. Mr. Nitin Mahavir Prasad Kandoi was appointed as a Chairman of the Committee effective from June 23, 2019.*

Earlier, Mrs. Richa Bhartiya was heading the Committee as a Chairperson. Presently, effective from June 23, 2019 Mr. Nitin Mahavir Prasad Kandoi heading the Committee as a Chairman. Mr. Tarun Kumar Rathi, Company Secretary acts as a Compliance Officer of the Company.

5.4 Status of Complaints

Sl. No.	Particulars	Numbers
1.	Complaints pending as on 1 April, 2018	NIL
2.	Complaints received during the year ended 31 March, 2019	2
3.	Complaints disposed of during the year ended 31 March, 2019	2
4.	Complaints pending as on 31 March, 2019	NIL

As required under Regulation 40(10) of the Listing Regulations entered into by Gallantt Metal with stock exchanges, a certificate is obtained every six months from a Practising Company Secretary that all transfers have been completed within the stipulated time. The certificates are forwarded to BSE and NSE.

The equity shares of the Company are traded in dematerialized form.

As required under Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended to date, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. The Company has not yet transferred equity shares to IEPF as there is no such shares due to be transferred to IEPF. Details of Unpaid Dividend for the Financial Year 2017-18 have been uploaded on the website of IEPF as well as the Company's website i.e., www.gallantt.com.

Cases of non-acceptance by the Board of Directors, of any recommendation of the Stakeholders Relationship Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

6. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations., the Nomination and Remuneration Committee (**NRC)** of the Board of Directors was formed by the Board of Directors to oversee the Company's nomination process for the senior management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Policy, merit and Company's performance. Presently NRC consists of three Non-Executive Independent Directors.

6.1 Role of Nomination and Remuneration Committee

The role of the Remuneration and Nomination Committee in brief, inter alia, includes:

Terms of Reference -

Identify persons who may be appointed as key managerial personnel and in senior management positions;

Recommended to the Board for re-appointment of directors based on performance evaluation of the retiring director;

Annual evaluation of every director's performance;

Formulating a remuneration policy of the Company;

To propose remuneration packages for the Directors and Key Managerial Personnel including Senior management;

Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operatioal effectiveness of the Company.

b. Responsibilities and Duties: The responsibility and duties of Nomination and Remuneration Committee are defined below covering their scope of work:

- Reviewing the tenure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
- Devising a policy on diversity of board of directors;
- Identifying individuals suitably qualified to be appointed as the KMPs or in the senior management of the Company;
- Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To approve the remuneration of the Senior

Management including key Managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

Besides, the Nomination and Remuneration Committee periodically reviews the composition of the Board to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders and the Company.

The process of appointing a director/KMPs/Senior Management Personnel is, that when a vacancy arises or is expected the Committee will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate bring to the Board/Company and the balance of skills added to that of which the existing members hold.

6.2 Meetings and Attendance

During the year ended 31st March, 2019, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Prasant Kankrania and Mrs. Richa Bhartiya all independent Directors as Members. Mr. Tarun Kumar Rathi, Company Secretary acts as the Secretary to the Committee.

A total of four Nomination and Remuneration Committee Meetings were held in the financial year 2018–19. The meetings were held on 12.05.2018, 21.05.2018, 11.08.2018 and 30.03.2019.

The composition of the Committee and details of attendance at the Meetings are as follows:

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	4
Mr. P. Kankrania	Member	Independent	4
Mrs. Richa Bhartiya	Member	Independent	4

**Mr. Prasant Kankrania tendered his resignation from the Directorship of the Company and hence, consequently relinquishes the Membership of the Nomination and Remuneration Committee effective from April 29, 2019.*

Cases of non-acceptance by the Board of Directors, of any recommendation of the Nomination and Remuneration Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

6.3 Nomination and Remuneration Policy of the Company

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

The remuneration of the Managing Director, Executive Director and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria.

Summary of Remuneration Policy of the Company:

The Board has adopted the Remuneration Policy on the recommendation of the Nomination and Remuneration Committee in compliance with Section 178 of the Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations. In keeping with the provisions of Section 178, the remuneration structure of the Company comprises of fixed remuneration (including fixed supplements), performance-based remuneration (variable salary), pension scheme, where applicable, other benefits in kind and severance payment, where applicable. Further, the Policy states that the Non-Executive Directors and Independent Directors of the Company may receive remuneration only by way of sitting fee and reimbursement of expenses for participation in meetings of the Board or Committee thereof, as may be permissible by the applicable law. Additionally, the Policy also lays down the overall selection criteria for the executives of the Company which is based on broad heads such as competencies, capabilities, compatibility, strong interpersonal skills, commitment among others. The Remuneration Policy of the Company has been disclosed on the website of the Company. The web link to the Remuneration Policy is as under: https://www.gallantt.com/Investors Corner/Gallantt Metal Limited/Nomination and Remuneration Policy/Remuneration Criteria Non-Executive Director-w.e.f. 01.04.2019

6.4 Remuneration of Directors

(a) Executive Directors (Managing / Whole-time Directors)

The aggregate value of salary and perquisites paid for the year ended 31st March, 2019 to Managing/ Whole-time Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (Rs. In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	21.60
Mr. Dinesh Raghubirprasad Agarwal	Whole time Director	352.67
Mr. Prashant Jalan	Director-Plant Operation	6.73

The Remuneration to the Executive Directors is determined by the Nomination and Remuneration Committee within the statutory limit subject to the approval of shareholders of the Company. As per the agreement entered into with the Executive Directors there is no provision for severance fees to the Directors on termination of the employment. Further, the Company has not yet introduced any stock option to its Directors/Employees. The Executive Directors is under a contract period of 5 years.

(b) Non-Executive Directors

Except sitting fees, the Company is not paying any remuneration to the Non-Executive Directors.

The Company has not paid any remuneration to Non-executive Directors other than sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company.

The criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at www.gallantt.com.

6.5 Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of Companies Act, 2013, the Corporate Social Responsibility Committee of the Board of Directors was formed by the Board of Directors. The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013.

7.1 Terms of reference

The CSR Committee is empowered pursuant to its terms of reference, inter alia, to:

1. Recommend the amount of expenditure to be incurred on the CSR activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

7.2 Meetings and Attendance

The Committee met five (5) times during the financial year ended 31st March, 2019 on 12.05.2018, 21.05.2018, 11.08.2018, 14.11.2018 and 30.03.2019. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2019 is detailed below:

Names	Designation	Details of Meetings held during the F.Y. 2018-19	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	Independent	5
Mr. Dinesh Raghubir prasad Agrawal	Member	Executive	5
Mr. Chandra Prakash Agrawal	Member	Executive	5

The Board of Directors of the Company has approved the CSR Policy of the Company on the recommendations of the CSR Committee. The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company www.gallantt.com.

8. SUBSIDIARY COMPANIES

Company has one Wholly Owned Subsidiary M/s. GL Steel and Power Limited.

Your Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any material unlisted subsidiary.

Subsidiary company of the Company is managed by its Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary company, inter alia, by the following means:

(i) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.

(ii) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.

(iii) All significant transactions and arrangements entered into by the subsidiary company are reviewed on regular basis.

The Company does not have any material non-listed

Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website www.gallantt.com.

9. RISK MANAGEMENT

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your Company laid down procedures to inform Board members about risk assessment and minimisation and has implemented the Risk Management plan and continuously monitors it. Details of Key Risks and Mitigation Plan are given in the Directors Report forming part of the Annual Report.

10. RELATED PARTY TRANSACTIONS

In terms of the Indian Accounting Standard "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval. There is no materially significant related party transaction during the financial year ended March 31 2019.

None of the related party transactions entered into by the Company were in conflict with the Company's interest. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. In compliance with Listing Regulations, the necessary statements/disclosures with respect to the Related Party Transactions are tabled before the Audit Committee and the Board of Directors on quarterly basis. In line with requirement of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, your Company has adopted a Policy on Related Party Transactions which is available at Company's website www.gallantt.com.

11. GENERAL BODY MEETINGS

11.1 Location and time of last 3 Annual General Meetings are as under:

Year	Venue	Date	Time
2017-2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	27.09.2018	3.30 P.M.
2016-2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2017	3.30 P.M.
2015-2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.	26.09.2016	3.30 P.M.

11.2 Special resolutions passed at the previous three Annual General Meetings are as below:

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
14th Annual General Meeting	2017-18	27.09.2018	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	1. To reappoint Mr. Jyotirindra Nath Dey (DIN:00180925) as an Independent Director for Second Term of five years. 2. To reappoint Mr. Prasant Kankrania (DIN: 05241947) as an Independent Director for Second Term of five years. 3. To revise remuneration of Mr. Dinesh Raghubir Prasad Agrawal (DIN: 01017125). 4. Granting of Loan under Section 185 of the Companies Act, 2013 to M/s. Gallantt Ispat Limited

General Body Meeting	Financial Year	Date	Venue	Special Resolutions
13th Annual General Meeting	2016-17	26.09.2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed
12th Annual General Meeting	2015-16	26.09.2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	No Special Resolution passed

11.3 The Details of Special Resolutions passed through postal ballot during the financial year 2018-19: No special resolution was passed through postal ballot in the last year.

11.4 Person who conducted the postal ballot exercise – Not Applicable.

11.5 Whether any special resolution is proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.

11.6 Procedure for Postal Ballot: Not Applicable.

11.7 Extraordinary General Meeting

Details of Extra-ordinary General Meeting held during the Financial Year 2018-19 are as under:

Date	Venue	Business	Type of Resolution
04.01.2019	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	Item No. 1. Shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory of Delhi (NCT of Delhi).	Special Resolution
		Item No. 2: Alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.	Special Resolution

11.8 Court Convened Meeting of Shareholders

During the year no Court Convened Meeting convened and held.

12. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the Listing Regulations, the Company has maintained a functional website at www.gallantt.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Information like quarterly / half yearly / annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members. In terms of Regulation 47 of the Listing Regulations the quarterly / half-yearly / annual financial results are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at www.gallantt .com.

After shifting of the Registered Office from Kolkata to New Delhi, Company publishes all information in newspapers viz. Business Standard (All edition) and Naya India (Vernacular-Hindi). No presentations are made to institutional investors or to the analysts during the year.

Details about the means of communication:

Quarterly Results:

The quarterly and year to date financial results of the Company are published in leading newspapers in India which include, Business Standard and Ek Din (before shifting of Registered Office from Kolkata to New Delhi and in Business Standard and Naya India (after shifting of Registered Office from Kolkata to New Delhi). The results are also displayed on the Company's website under https://www.gallantt.com.

Whether it also displays official news releases; Yes

13. GENERAL SHAREHOLDERS INFORMATION

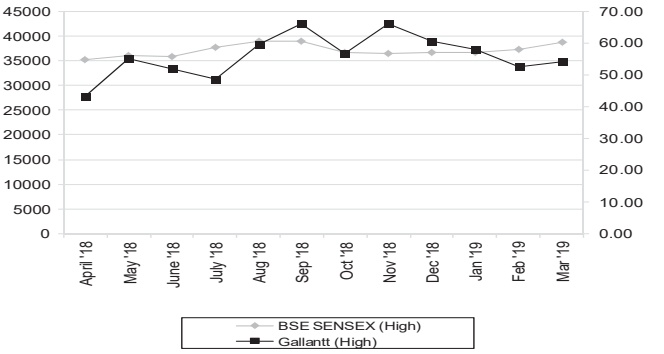
13.1	Date, time and time of the Annual General Meeting	Thursday, September 26, 2019 at 12.30 P.M.
13.2	Venue	"Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014.India.
13.3	Financial Year	April 01, 2018 to March 31, 2019
13.4	Cut-off date for determining the names of shareholders eligible to vote	Thursday, September 19, 2019
13.5	Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting	Friday, August 16, 2019
13.6	Publication of results for the financial year 2019-20 (tentative and subject to change)	a) First quarter results: On or before August 14, 2019. b) Second quarter and half year results: On or before November 14, 2019. c) Third quarter results: On or before February 14, 2020. d) Fourth quarter results and results for the year ending March 31, 2020: On or before May 30, 2020.
13.7	Dates of book closure	September 20, 2019 to September 26, 2019 (both days inclusive)
13.8	Dividend Payment Date	The Board of Directors at their Meeting held on April 29, 2019, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting Twenty Five Paise per Share (25 Paise -@ 2.5% on equity shares) of the Company for the Financial Year 2018-19. The Dividend shall be paid to the members whose names appear on Company's Register of Members on September 19, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on September 18, 2019 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after October 01, 2019.
13.9	Listing on Stock Exchanges and Stock Code	1. BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Phones : (022) 22721233/4, 91-22-66545695 Fax : (022) 22721919 Stock Code: 532726 2. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Tel No: (022) 26598100 - 8114 Fax No: (022) 26598120 Stock Code: GALLANTT
13.10	Payment of Listing Fees	Annual Listing Fees for both the stock exchanges for the financial year 2019-20 has been duly paid by the Company.

13.11 Market Price Data- High, Low During Each Month in Last Financial Year

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2018-19.

	BSE		NSE	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**
Apr-18	43.25	38.05	42.50	38.15
May-18	55.20	38.35	53.75	38.00
Jun-18	51.95	43.20	50.95	42.35
Jul-18	48.60	40.00	48.50	40.00
Aug-18	59.55	40.10	58.10	41.75
Sep-18	66.00	45.50	65.60	45.00
Oct-18	56.80	43.40	55.00	43.65
Nov-18	66.00	50.10	66.00	50.65
Dec-18	60.50	44.00	60.65	52.10
Jan-19	58.00	46.50	58.00	46.80
Feb-19	52.40	42.50	52.00	42.00
Mar-19	54.00	43.10	54.90	41.95

13.12 Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2018-19:



13.13 Suspension of Securities during the financial year 2018-19:

During the financial year 2018-19, the securities of the Company were not suspended from trading.

13.14 Registrar and Share Transfer Agents;

Niche Technologies Pvt. Ltd.
7th Floor, Room, No. 7A & 7B,
3A, Auckland Rd, Elgin, Kolkata,
West Bengal – 700017.
Tel.: (033) 2280 6616 / 17 / 18
Email id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

13.15 Share Transfer System;

The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. The formalities for transfer of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the transfer documents, provided the documents are complete and the shares under transfer are not under dispute.

Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent. For lodgment of transfer deeds and any other documents or for any grievances/complaints, kindly contact any of the offices of Niche Technologies Private Limited.

13.16 Distribution of equity shareholding as on March 31, 2019:

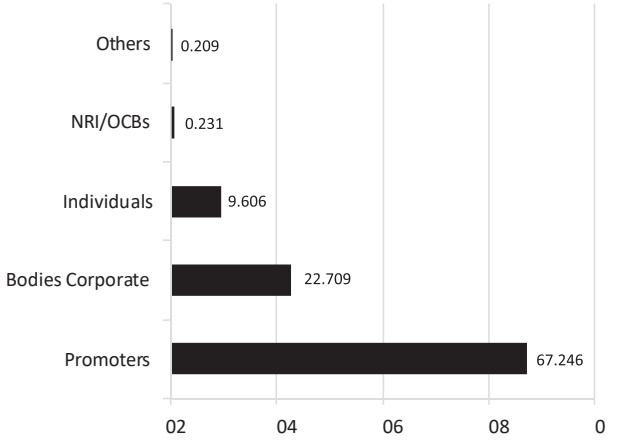
Distribution of shareholding by size is as given below:

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	5,892	76.869	9,58,037	1.178
501-1,000	826	10.776	7,07,696	0.870
1,001-5,000	724	9.446	16,33,724	2.009
5,001-10,000	92	1.200	6,94,369	0.854
10,001-50,000	100	1.305	21,50,027	2.644
50,001-1,00,000	10	0.131	6,83,622	0.841
1,00,001 and Above	21	0.274	7,44,94,849	91.604
TOTAL	**7,665**	**100.000**	**8,13,22,324**	**100.000**

13.17 Categories of shareholding as on 31st March, 2019

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING:		
Promoters	5,46,86,193	67.246
Total Promoters' Holding	**5,46,86,193**	**67.246**
PUBLIC SHAREHOLDING:		
Institutional Investors		
Financial Institution/Bank	0	0.00
Financial Institution Investor	0	0.00
Foreign Portfolio Investor	0	0.00
Others		
Bodies Corporate	1,84,67,094	22.709
Individuals	78,11,363	9.606
NRI/OCBs	1,87,484	0.231
Clearing Members/Clearing Corp (Demat shares in transit)	1,70,190	0.209
IEPF	0	0.000
Total Public Shareholding	**2,66,36,131**	**32.754**
GRAND TOTAL	**8,13,22,324**	**100**

Category-wise shareholding:



13.18 Dematerialization of Shares and Liquidity

The process of conversion of shares from physical form to electronic form is known as dematerialization. For dematerializing the shares, the Shareholder has to open a demat account with a Depository Participant (DP). The Shareholder is required to fill in a Demat Request Form and submit the same along with the Share Certificate(s) to the DP. The DP will allocate a demat request number and shall forward the request physically and electronically, through NSDL/CDSL to the R&T Agent. On receipt of the demat request, both physically and electronically and after verification, the Shares are dematerialized, and an electronic credit of shares is given in the account of the Shareholder.

The Company's equity shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Ltd (NSDL) and the Central Depository Services (India) Ltd (CDSL). The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is INE297H01019. Nearly 100.00% of total listed equity shares have been dematerialised as on March 31, 2019.

13.19 Outstanding ADRs/GDRs/Warrants or any other convertible instruments, conversion date and likely impact on equity: **Nil**

13.20 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company has insignificant foreign exchange exposure towards imports. Commodities form a major part of business of the Company and hence Commodity price risk is one of the

important risks for the Company. Your Company has a robust framework in place to protect the Company's interests from risks arising out of market volatility.

The Company does not undertake any commodity hedging activities. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

13.21 Corporate Identity Number (CIN): L27109DL2005PLC350524

13.22 Plant locations:

Near Toll Gate, Village - Samakhyali, Taluka - Bachau, District – Kutch, Gujarat

13.23 Address for correspondence

Registrar and Share Transfer Agents; Mr. S. Abbas, Senior System Manager Niche Technologies Pvt. Ltd. 7th Floor, Room, No. 7A & 7B, 3A, Auckland Rd, Elgin, Kolkata, West Bengal – 700017. Tel.: (033) 2280 6616 / 17 / 18 Email id: nichetechpl@nichetechpl.com Website: www.nichetechpl.com	Unit: Gallantt Metal Limited Contact Person: Mr. Tarun Kumar Rathi, Company Secretary and Compliance Officer, "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014. Telefax: 011-45048767 Email-Id :csgml@gallantt.com Website :www.gallantt.com

Depositories:

National Securities Depository Limited Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai – 400 013 Tel. No.: (022) 2499 4200 Fax No.: (022) 2497 6351 Email: info@nsdl.co.in Website: www.nsdl.co.in	**Central Depository Services (India) Limited** Marathon Futurex, A-Wing, 25th floor, N M Joshi Marg, Lower Parel, Mumbai – 400 013 Toll free No.: 1800-22-5533 Email: complaints@cdslIndia.com Website: www.cdslindia.com

Shareholders are requested to quote their Folio No./ DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its RTA.

13.24 List of all credit ratings obtained by the Company along with any revisions thereto, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad:

During the financial year 2018-19, the Company does not have any debt instruments or any Fixed Deposit Programme or any scheme or the proposal of the Company involving mobilization of funds in India or in abroad.

However, Company is availing short-term and long term bank finance facilities from the Bankers. India Ratings and Research Private Limited has assigned grade A for credit rating of Term Loan and Grade A2 for working capital facilities.

13.25 Unpaid and Unclaimed Amount of Dividend and Share Application Money

Following amount of Unpaid Dividend has not been claimed and paid till 31.03.2019:

Nature of Money	Relevant Financial Year	Bank Account Details	Amount lying (In Rs.)
IDBI BANK LIMITED	2018-19	IDBI Bank Account No. 1526103000000578	**74,891.25**

Unpaid dividend amounts are not available for use by the Company. Members who have not so far encashed their Divided Warrants for the financial years ended 31st March, 2018 are requested to approach immediately the Registrar and Share Transfer Agent/Company for revalidation of unclaimed Dividend Warrants. The details of unclaimed dividend are available on the Company's corporate website **www.gallantt.com** and also uploaded on the website of IEPF viz. **www.iepf.gov.in**.

13.26 Transfer of shares to IEPF

No shares have been transferred to IEPF

14.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

All transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, during the financial year 2018-19 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Act. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Necessary disclosures as required under the Accounting Standards have been made in the Financial Statements. The Board has approved a policy on materiality of related party transactions and on dealing with related party transactions and the same is disclosed on the website of the Company at the web link to the Materiality of Related Party Transactions is as under: https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Related Party Transaction Policy-w.e.f. 01.04.2019.

14.2 details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by any of these authorities.

14.3 Accounting Standards

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19.

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

14.4 Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism as required under Regulation 22 of the Listing Regulations for Directors and employees to report concerns about any unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has also been disclosed on the website of the Company at the link https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Whistle Blower Policy - w.e.f. 01.04.2019.

14.5 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has also fulfilled the following discretionary requirements as provided in the Listing Regulations:

(i) The Internal Auditor reports to the Audit Committee.

(ii) The financial statements of the Company are with unmodified audit opinion.

14.6 Web link where policy for determining 'material' subsidiaries is disclosed;

The policy to determine a material subsidiary has been framed and the same is disclosed on the Company's website at the link https://www.gallantt.com/Investors Corner/Policy On Material Subsidiary-w.e.f. 01.04.2019.

14.7 Web link where policy on dealing with related party transactions;

The Related Party Transaction Policy is also posted on the Company's website and can be accessed at https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/ Related Party Transaction Policy-w.e.f. 01.04.2019.

14.8 Disclosure of commodity price risks and commodity hedging activities.

The Company does not undertake any commodity hedging activities. The Company actively monitors the foreign exchange movements and takes forward covers as appropriate to reduce the risks associated with transactions in foreign currencies.

14.9 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

During the period under Report Company has not raised funds through preferential allotment of qualified institutional placement as specified under Regulation 32(7A).

14.10 A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 13th August, 2019. The certificate given by Mr. Anurag Fatehpuria is published in this Report as **Annexure-D** of this Corporate Governance Report.

14.11 Recommendations of Committees of the Board

There were no instances during the financial year 2018-19, wherein the Board had not accepted recommendations made by any committee of the Board.

14.12 Total fees paid to Statutory Auditors of the Company

Total fees of Rs. 6.37 Lacs for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

14.13 Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

14.14 Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.

There is no case of non-compliance of any requirement of Corporate Governance.

14.15 Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

The Company has complied with the discretionary requirements with regard to reporting of Internal Auditor directly to Audit Committee, moving towards a regime of unqualified Financial Statements and unmodified audit opinion.

14.16 Disclosures with respect to demat suspense account/unclaimed suspense account:

Disclosure with respect to demat suspense account/unclaimed suspense account: Not applicable.

14.17 The Company has duly complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

14.18 Particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting have been provided in the Notice of the Annual General Meeting.

14.19 In addition to Directors' Report, a Management Discussion and Analysis Report form part of the Annual Report to the shareholders. All key managerial personnel and senior management have confirmed that they do not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the interest of the Company at large.

14.20 All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

14.21 In order to prevent misuse of any unpublished price sensitive information (UPSI), maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading. The said Code prohibits the Designated Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of

Unpublished Price Sensitive Information and the same is available on the website of the Company at www.gallantt.com.

14.22 The Company as required under Clause 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, has designated the following email IDs namely csgml@gallantt.com for the purpose of registering complaints if any by the investors and expeditious redressal of their grievances.

14.23 Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

14.24 Policy pertaining to determination and disclosure of the material events/information

The Board of Directors has approved the policy pertaining to determination and disclosure of the material events/information. Accordingly any such material events/information will be disclosed to the concerned either by Managing Director or Chief Financial Officer or Company Secretary. The policy on determination and disclosure of material events/information is posted in the website of the company with the following link https://www.gallantt.com.

14.25 Reconciliation of share capital audit

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital.

The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14.26 Code of Conduct

The members of the Board and senior management personnel have affirmed the compliance with Code of Conduct applicable to them during the year ended March 31, 2019. The **Annexure A** of the Corporate Governance Report contains a certificate by the Managing Director in terms of SEBI LODR Regulations, 2015 on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management.

14.27 Trading window

Trading window closure for financial results is from the beginning of the quarter till 48 hours after the Unpublished Price Sensitive Information (UPSI) becomes generally available.

14.28 Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

14.29 CEO/CFO Certification

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of SEBI LODR Regulations, 2015 for the financial year ended March 31, 2019.

The CEO and CFO have also given quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI LODR Regulations, 2015. The annual certificate given by the CEO and the CFO is published in this Report as **Annexure-B** of this Corporate Governance Report.

14.30 Uday Kotak Committee Recommendations

In June 2017, SEBI set up a committee under the chairmanship of Shri Uday Kotak to advise on issues relating to corporate governance in India. In October 2017, the committee submitted a report containing its recommendations, which were considered by SEBI in its Board Meeting held in March 2018. On May 9, 2018, SEBI notified SEBI LODR (Amendment) Regulations, 2018 implementing majority of these recommendations effective from April 1, 2019 or such other date as specified therein.

The Company substantially complies with the amendments notified and wherever there are new requirements, it will take necessary steps to ensure compliance by the effective date.

Pursuant to Regulation 33 (8) of SEBI LODR Amendment Regulations 2018, the Statutory Auditor of the Company shall undertake a Limited Review of the audit of all the Subsidiaries, Joint Ventures and Associates whose accounts are to be consolidated with the Company as per Accounting Standard 21 with effect from April, 01, 2019 in accordance with guidelines issued by SEBI on this matter.

14.31 Policy for Preservation of Documents

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

14.32 Policy for Determination of Legitimate Purposes

The Company has formulated a comprehensive Policyfor Determination of Legitimate Purposes This Policy is formulated pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI {Prohibition of Insider Trading) (Amendment) Regulations, 2018 for determination of legitimate purpose of for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any. The Policy is also hosted on the website of the Company at https://www.gallantt.com

14.33 Policy on enquiry of leak of Unpublished Price Sensitive Information

The Company has formulated a comprehensive Policy for enquiry of leak Unpublished Price Sensitive Information. This Policy is formulated as per requirement of Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as inserted by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 for enquiry procedure in case of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information. The Policy is also hosted on the website of the Company at https://www.gallantt.com.

14.34 Shareholder voting

Shareholders are requested to cast their votes on the Resolutions mentioned in the Notice of the Fifteenth Annual General Meeting of the Company by using any one of the following options:

1. Vote in advance of the Annual General Meeting through remote e-voting process.

2. Vote in person at the Annual General Meeting through polling paper/ballot paper.

14.35 Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014 permits circulation of Annual Report through electronic means to such of the shareholders whose e-mail addresses are registered with NSDL or CDSL or the shareholders who have registered their e-mail IDs with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail IDs have not been registered either with the company or with the depositories.

To support this green initiative of the Government, shareholders are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the R & T Agents, in case the share are held in physical form and also intimate changes, if any in their registered e-mail addresses to the company/ DPs, from time to time.

14.36 Compliance Certificate on Corporate Governance

Certificate received from M/s. ALPS & Co., Chartered Accountants, Statutory Auditors of the Company having their office at Chartered Accountants (ICAI Firm Registration No. 313132E), 310, Todi Chambers, 2, Lalbazar Street, Kolkata – 700001 confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V (E) of the SEBI LODR Regulations, 2015 is annexed to this Corporate Governance Report as **Annexure-C**.

14.37 Secretarial Audit

The Company's Board of Directors appointed Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary to conduct the secretarial audit of its records and documents for the Financial Year 2018-19. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI LODR Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

14.38 Remuneration of Directors Criteria for making payments to Non-executive Directors (including Independent Directors)

The Non-executive Directors (including Independent Directors) of the Company are paid remuneration by way of sitting fees for attending meeting of Board and Committee thereof.

Details of payment of Sitting Fee for the year 2018-19 are as follows:

Name of Director	Sitting Fees (Rs.)
Mr. Nitin Mahavir Prasad Kandoi	14,000
Mr. Jyotirindra Nath Dey	52,000
Mr. Prasant Kankrania	42,000
Mrs. Richa Bhartiya	42,000
Mr. Sandip Kumar	16,000
TOTAL	**1,66,000**

14.39 Dividend History for the last 10 financial years

The Table below highlights the history of Dividend declared by the Company in the last 10 financial years:

Sr. No	F.Y. of Declaration of Dividend	Date of Declaration of Dividend	Amount declared per share	Dividend Amount
1	2017-18	27.09.2018	Re. 0.25/- (Paise Twenty Five only)	Rs. 2,03,30,581.00

14.40 Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of 7 (Seven) years

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) on which dividend has not been paid or claimed by a Shareholder for a period of 7 (Seven) consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of 30 (Thirty) days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Presently, no shares are due to be transferred to the IEPF.

Therefore, it is in the interest of Shareholders to regularly claim the dividends declared by the Company.

14.41 None of the Non-Executive Directors hold any shares in the company;

14.42 Codes and Policies

Particulars Website Details/Links:

Policy/Code	Weblink
Dividend Distribution Policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Composition and Profile of the Board of Directors	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Terms and conditions of appointment of Independent Directors	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Familiarisation Programme hours FY 2018-19 for Independent Directors	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Remuneration Policy of Directors, KMPs & Other Employees	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Code of Conduct	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Criteria of Making Payments to Non-Executive Directors	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Corporate Social Responsibility Policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Policy on Related Party Transactions	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Policy on Determining Material Subsidiary	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Whistle Blower Policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Document Retention and Archival Policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Prevention of Sexual Harassment (POSH) at Workplace	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Code of Conduct for Prevention of Insider Trading	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Legitimate Purpose policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Policy on enquiry of leak of Unpublished Price Sensitive Information	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes
Risk Management Policy	https://www.gallantt.com/Investors Corner/ Gallantt Metal Limited/Policies and Codes

For and on Behalf of the Board
C. P. Agrawal
Chairman

Place: Gorakhpur
Date: August 13, 2019

Annexure - A

DECLARATION

To
The Members of
Gallantt Metal Limited

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on March 31, 2019.

Place : Gorakhpur	**C. P. Agrawal**	**Dinesh Raghubir Prasad Agarwal**
Date : August 13, 2019	*Managing Director*	*Whole-time Director*

Annexure - B

CEO/CFO CERTIFICATION

The Board of Director
Gallantt Metal Limited
"GALLANTT HOUSE",
I-7, Jangpura Extension,
New Delhi – 110014

Re: Financial Statements for the Financial year 2018-19 – Certificate by MD and CFO

a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that there are no::

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii. Instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gorakhpur	**Chandra Prakash Agrawal**	**Sandip Kumar Agarwal**
Dated : August 13, 2019	*Managing Director*	*Chief Financial Officer*

Annexure - C

INDEPENDENT AUDITOR'S CERTIFICATE TO THE MEMBERS OF GALLANTT ISPAT LIMITED

To
The Members of
Gallantt Metal Limited

1. We, ALPS & Co., Chartered Accountants, the Statutory Auditors of Gallantt Metal Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2019. We state that in respect of investor grievances received during the year ended March 31, 2019, no investor grievance is pending against the Company, as per the records maintained by the Company and presented to the Stakeholders' Relationship Committee.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For ALPS & Co.
Chartered Accountants
Firm's Registration No: 313132E

A. K. Khetawat
Partner
Membership No: 52751

Place: Gorakhpur
Date: August 13, 2019

Annexure - D

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
GALLANTT METAL LIMITED
"GALLANTT HOUSE", I-7, Jangpura Extension,
New Delhi – 110014.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gallantt Metal Limited having CIN: L27109DL2005PLC350524 and having Registered Office at "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.N.	Name of the Directors	DIN	Date of Appointment in the Company
1	Mr. Chandra Prakash Agrawal	01814318	01.04.2005
2	Mr. Dinesh Raghubir Prasad Agarwal`	01017125	07.02.2005
3	Mr. Prashant Jalan	06619739	12.08.2013
4	Mr. Nitin Mahavir Prasad Kandoi	01979952	07.02.2005
5	Mr. Jyotirindra Nath Dey	00180925	30.11.2005
6	Mr. Prasant Kankrania	05241947	29.03.2012*
7	Mrs. Richa Bhartiya	06905283	12.11.2014
8	Mr. Sandip Kumar	08088624	31.03.2018*

*Resigned from the Board effective from April 29, 2019.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(Anurag Fatehpuria)
Practicing Company Secretary
Membership No. 34471,
CP No. 12855

Place: Gorakhpur
Dated: August 13, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of **Gallantt Metal Limited**

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Gallantt Metal Limited ("*the Company*")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year the ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('The Act') in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	**How our audit assessed the key audit matter**
Revenue from sale of products (Refer Note 2.2 of the standalone Ind AS financial statements)	
The Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the current period in accordance with Ind AS 115. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements	Following procedures have been performed to address this key audit matter: • Considered the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. • Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. • Assessed the relevant disclosures made within the standalone Ind AS financial statements.
Assessment of litigations and related disclosure of contingent liabilities (Refer Note no. 2.11 and Note no. 40 of the Standalone Financial Statement)	
As of March 31, 2019, the Company has disclosed contingent liabilities of ₹ 1,614.57 Lakhs relating to tax and legal claims Taxation, arbitration and litigation exposures have been identified as a key audit matter due to	Following procedures have been performed to address this key audit matter: ➢ Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. ➢ Discussed and analysed material legal cases with the Company's legal department.
the uncertainties and timescales involved for the resolution of these claims. Accordingly, there is judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the standalone Ind AS financial statements.	➢ Analysed the responses obtained from the Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described. ➢ Received confirmation obtained by the Company from their legal counsel / consultants on a samples basis.

Key Audit Matters	How our audit assessed the key audit matter
	➢ Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the standalone Ind AS financial statements. ➢ Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the standalone financial statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of standalone financial statement

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

A further description of the auditor's responsibilities for the audit of the standalone financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of change in equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such

controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A.K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated: April 29, 2019

Annexure A

Responsibilities for Audit of Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A.K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated: April 29, 2019

ANNEXURE 'B' TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Fixed assets have been physically verified by the Management at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii) The inventory has been physically verified at reasonable interval by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.

iii) As per the information and explanation given to us, the company has not granted any loans, secured or unsecured to Companies, firms, LLPs or other parties, covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, sub-clause (a), (b) and (c) of clause (iii) of Paragraph 3 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made, where ever applicable.

v) The Company has not accepted any deposit from the public as stipulated under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under and the directives issued by the Reserve Bank of India.

vi) We have broadly reviewed the books of account maintained by the Company, pursuant to the Companies (Cost Records and audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii) a) In our opinion and according to the information and explanations given to us, Company is generally been regular in depositing with appropriate authorities undisputed statutory dues, as required under this clause and applicable to the Company during the year. There is no undisputed amount payable in respect of aforesaid statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2019.

b) According to the information and explanations given to us, the statutory dues that have not been deposited with the appropriate authorities on account of any dispute for the amount mentioned below:

Name of the Statute	Nature of the Dues	Amount (Rs.in lacs)	Period	Forum where dispute is pending
Income Tax Act	Income Tax	21.61*	2008-09	CIT (Appeals)
Income Tax Act	Income Tax	48.07	2011-12	CIT (Appeals)
Value Added Tax	VAT	38.04*	2007-08	Jt. Commissioner of Appeal
Central Excise Act	Excise Duty	49.22	2009-10 2010-11	CESTAT, Ahmedabad
Custom Act	Custom Duty	264.94	2011-12 2012-13	CESTAT, Ahmedabad
Central Excise Act	Excise Duty	170.12	2010-11	CESTAT, Ahmedabad

*net of amount paid under protest

viii) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any debentures

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-

cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A.K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated: April 29, 2019

ANNEXURE 'C' TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Gallantt Metal Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A.K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated: April 29, 2019

Balance Sheet as at 31st March 2019

(₹ in lacs)

	Notes	As at 31.03.2019	As at 31.03.2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	03	20,790.22	21,881.97
(b) Capital work in progress		12,748.00	2,860.21
		33,538.22	**24,742.18**
(c) Financial assets			
(i) Investments	04	4,266.08	4,266.08
(ii) Other financial assets	05	92.68	76.68
(d) Other non-current assets	06	2,089.49	1,350.84
(e) Deferred tax assets / (liabilities) (Net)	07	(41.62)	1,431.73
(f) Current Income tax assets (net)		62.82	72.26
		40,007.67	**31,939.77**
(2) Current Assets			
(a) Inventories	08	11,072.50	10,978.77
(b) Financial assets			
(i) Trade receivables	09	3,756.88	5,051.87
(ii) Cash and cash equivalent	10(a)	154.86	453.72
(iii) Other balances with bank	10(b)	95.18	32.68
(iv) Loans	11	211.28	7,014.26
(v) Other financial assets	11A	10.90	8.80
(c) Other current assets	12	1,065.31	572.60
		16,366.91	**24,112.70**
TOTAL ASSETS		**56,374.58**	**56,052.47**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	8,132.23	8,132.23
(b) Other equity	14	40,015.23	33,092.03
		48,147.46	**41,224.26**
(2) Non-current liabilities			
(a) Provisions	15	57.85	28.32
		57.85	**28.32**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5,126.49	5,469.60
(ii) Derivative liabilities	17	28.61	-
(iii) Trade payables	18	1,846.06	7,891.09
(iv) Other financial liabilities	19	582.63	297.05
(b) Provisions	20	57.07	44.13
(c) Other current liabilities	21	512.90	1,041.65
(d) Current Income tax liabilities (net)		15.51	56.37
		8,169.27	**14,799.89**
TOTAL EQUITY AND LIABILITIES		**56,374.58**	**56,052.47**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Statement of Profit and Loss for the quarter ended 31st March 2019

(₹ in lacs)

		Notes	For Year ended 31.03.2019	For Year ended 31.03.2018
(1)	Revenue from operations	22	1,06,378.53	84,558.04
(2)	Other income	23	540.21	476.23
(3)	**Total Revenue (1) + (2)**		**1,06,918.74**	**85,034.27**
(4)	**EXPENSES**			
	(a) Cost of materials consumed	24	79,113.89	59,979.66
	(b) Purchase of stock in trade		1,788.05	1,106.23
	(c) Changes in inventories of finished products and work in progress	25	(1,432.63)	814.04
	(d) Employee Benefit Expenses	26	2,989.90	2,518.27
	(e) Finance costs	27	598.99	656.16
	(f) Depreciation expense	28	1,409.29	1,496.96
	(g) Excise duty	29	-	2,150.49
	(h) Other expenses	30	11,451.74	9,378.93
	Total Expenses (4)		**95,919.23**	**78,100.74**
(5)	**Profit before tax (3) - (4)**		**10,999.51**	**6,933.53**
(6)	**Tax Expense**			
	(a) Current tax			
	(i) Current tax for current period		3,585.64	2,095.18
	(ii) Current tax for the previous years		11.92	1.82
	(b) Deferred tax			
	(i) Deferred tax for current period		239.30	(96.76)
	Total tax expense (6)		**3,836.86**	**2,000.24**
(7)	**Profit for the period (5) - (6)**		**7,162.65**	**4,933.29**
(8)	**Other comprehensive income**			
	(a) Items that will not be reclassified to statement of profit and loss			
	(i) Remeasurement of the employees defined benefit plans		8.69	(5.08)
	(ii) Less :Income tax relating to items that will not be reclassified to profit or loss		3.04	(1.76)
	Total other comprehensive income (8)		**5.65**	**(3.32)**
(9)	**Total comprehensive income for the period (7) + (8)**		**7,168.30**	**4,929.97**
(10)	**Earnings per equity share: (Face value of share of ₹ 10 each)**	**33**		
	(a) Basic		**8.81**	**6.07**
	(b) Diluted		**8.81**	**6.07**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Statement of Changes in Equity for the year ended 31st March 2019

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8,132.23
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31st March 2018	8,132.23
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at 31st March 2019	**8,132.23**

B. Other Equity

Statement of changes in Equity	Reserves and surplus		Items of OCI	
	Security Premium	Retained Earnings	Remeasurement of defined benefit liability	Total Equity
Balance at April 1, 2017	1,050.00	27,063.89	48.17	28,162.06
Total comprenensive income for the year ended 31.03.2018				
Profit or Loss	-	4,933.29	-	4,933.29
Other Comprehensive Income (net of tax)	-	-	(3.32)	(3.32)
Balance at March 31, 2018	**1,050.00**	**31,997.18**	**44.85**	**33,092.03**
Total comprenensive income for the year ended 31.03.2019				
Profit or Loss	-	7,162.65	-	7,162.65
Other Comprehensive Income (net of tax)	-	-	5.65	5.65
Total Comprehensive income	**1,050.00**	**39,159.83**	**50.50**	**40,260.33**
Transaction with owners, recorded directly in equity contributions by and distribution to owners				
Dividend (including dividend distribution tax)	-	(245.10)	-	(245.10)
Total contribution by and distribution to owner	-	(245.10)	-	(245.10)
Balance at March 31, 2019	**1,050.00**	**38,914.73**	**50.50**	**40,015.23**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
A.	**Cash Flow from Operating activities:**		
	Profit for the period	10,999.51	6,933.53
	Adjustments for:		
	Income tax expenses recognised in the statement of profit and loss		
	Depreciation expense	1,409.29	1,496.96
	Interest income	(429.62)	(438.80)
	Interest expenses	333.75	469.39
	Remeasurement Gain / (Loss) on defined benefit plan	8.69	(5.08)
	Net (Gain)/Loss on derivative instruments	28.60	-
	(Profit)/loss on sale of property, plant & equipments	65.34	1.37
	Liabilities/provision no longer required written back	0.15	(1.17)
	Operating profit before working capital changes	**12,415.71**	**8,456.21**
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(93.73)	(1,117.53)
	Trade receivables	1,294.99	(1,649.05)
	Non-current financial Assets	(16.00)	(6.15)
	Other non-current assets	12.20	(517.74)
	Current financial assets	(4.74)	4.21
	Other current assets	(492.71)	940.88
	Adjustments for increase/(decrease) in operating liabilities		
	Trade Payables	(6,045.03)	5,687.86
	Current financial liabilities	125.63	71.15
	Other current liabilities	(528.75)	394.31
	Provisions	42.32	48.06
	Cash generated from operations	**6,709.89**	**12,312.20**
	Direct taxes paid	(2,397.97)	(1,434.38)
	Net cash generated from operating activities	**4,311.92**	**10,877.83**
B.	**Cash Flow from Investing activities:**		
	Purchase of property, plant and equipment	(10,976.39)	(2,539.98)
	Sale of property, plant & equipment	114.85	10.70
	Investment in Shares	-	(5.88)
	Movement in loans and advances	6,802.98	(6,160.90)
	Movement in fixed deposit held as margin	(62.50)	11.45
	Interest received	432.27	433.21
	Net cash (used in) investing activities	**(3,688.79)**	**(8,251.40)**

Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
C.	**Cash Flow from Financing activities:**		
	Repayment of short term borrowings	(343.11)	(1,948.52)
	Interest paid	(333.78)	(469.39)
	Dividend Paid	(203.31)	-
	Dividend distribution tax paid	(41.79)	-
	Net cash (used in) financing activities	**(921.99)**	**(2,417.91)**
	Net increase/(decrease) in cash and cash equivalents	**(298.86)**	**208.52**
	Cash and cash equivalents as at 1st April	**453.72**	**245.20**
	Cash and cash equivalents as at 31st March	**154.86**	**453.72**

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. {Refer Note. 10(a)}
2. Figures in brackets represent outflows.

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Note -01 General Information

1.01 Corporate Information

Gallant Metal Limited ("the Company") is a public limited company domiciled in India incorporated under the provisions of the Companis Act. The registered office of the company is located in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in manufacturing of Steel and Steel products with power plant and having its manufacturing unit at Village Samakhyali, Dist Kutch in the State of Gujarat.

1.02 Basis of preparation of financial statement

These financial statement have been prepared in accordance with the generally accepted accouting principles in India under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period) on accural basis to comply in all material aspects with the Indian Accounting Standards (herein after referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companis Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The financial statements have been prepared on accrual and going concern basis. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 29, 2019.

1.03 Basis of measurement

These financial statements are prepared under the historical cost convention otherwise indicated.

1.04 Functional and presentation currency

The functional currency and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operate. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

1.05 Key estimates and assumptions

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Useful lives of Property, plant and equipment (Refer Note 2.01)
- Assets and obligations relating to employee benefits (Refer Note 2.15)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 2.16)
- Provisions and Contingencies (Refer Note 2.11)

1.06 Measurement of fair values

A number of the the Company's accounting policies and disclosures require the measurement of fair values for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note -02 Significant Accounting Policies

2.01 Property, Plant and Equipment (PPE)

Land, Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production or supply of goods or services or for administrative purposes are carried at cost, less any recognsed impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings	: 3 to 60 years
Plant and equipment:	: 10 to 25 years
Furniture and Fixtures	: 10 years
Office Equipments	: 5 to 10 years
Computers	: 3 years
Motor Vehicles	: 8 to 10 years
Rolls	: 1 year

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.02 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.03 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determined whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

2.04 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

2.05 Inventories

Inventories which comprise raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

2.06 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.07 Financial Assets

i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the

financial asset.

ii) Subsequent Measurement

Financial assets are subsequently / classified and measured at:

amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

iii) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv) Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

c) Financial assets at fair value through other comprehensive income (FVTOCI) : A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as

lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

2.08 Financial Liabilities

i) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.09 Off setting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.11 Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

2.12 Revenue recognition

i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or

receivable, net of returns, trade discounts and quantity discount and excusive of Goods and Service Tax and other taxes and duties collected on behalf of the government. Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii) Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iii) Insurance Claims

Insurance claims are accounted for on acceptance and when there is a resonable certainty of receiving the same, on ground of prudence.

2.13 Foreign Currencies Transactions

The financial statements of the Company are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

2.14 Borrowing costs

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.15 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall due.

(b) Defined Benefit Plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the

discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

2.16 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the Company will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the Company.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

03. Property, plant and equipment

	Freehold Land	Freehold Building	Roads	Plant and Machinery	Electrical installation and Equipments	Lab Equipments	Furniture and fixtures	Office Equipments	Motor Vehicles	Computers	Rolls	Total
Cost or deemed cost												
Balance at April 1, 2017	803.31	4,579.92	557.57	17,851.79	390.91	34.41	28.33	37.62	140.64	4.64	180.28	24,609.42
Additions	-	-	-	57.53	8.01	9.10	-	7.21	105.43	1.43	171.32	360.03
Disposals	-	-	-	-	-	-	-	-	(13.56)	-	(180.28)	(193.84)
Balance at March 31, 2018	803.31	4,579.92	557.57	17,909.32	398.92	43.51	28.33	44.83	232.51	6.07	171.32	24,775.61
Additions	120.14	-	-	42.92	40.79	-	3.26	0.58	79.96	1.05	209.00	497.70
Disposals	-	-	-	(277.70)	(3.04)	-	-	-	(21.65)	-	-	(302.39)
Balance at March 31, 2019	**923.45**	**4,579.92**	**557.57**	**17,674.54**	**436.67**	**43.51**	**31.59**	**45.41**	**290.82**	**7.12**	**380.32**	**24,970.92**
Accumulated depreciation												
Balance at April 1, 2017	-	154.50	62.19	1,007.56	215.51	10.06	7.10	9.56	26.27	2.55	83.15	1,578.45
Depreciation expense	-	162.97	62.67	1,012.14	16.07	5.42	5.68	11.02	28.83	2.27	189.89	1,496.96
Disposals	-	-	-	-	-	-	-	-	(4.13)	-	(177.64)	(181.77)
Balance at March 31, 2018	-	317.47	124.86	2,019.70	231.58	15.48	12.78	20.58	50.97	4.82	95.40	2,893.64
Depreciation expense	-	162.97	62.67	935.34	17.75	4.74	3.56	8.41	31.17	0.83	181.85	1,409.29
Disposals	-	-	-	(110.85)	-	-	-	-	(10.51)	(0.87)	-	(122.23)
Balance at March 31, 2019	**-**	**480.44**	**187.53**	**2,844.19**	**249.33**	**20.22**	**16.34**	**28.99**	**71.63**	**4.78**	**277.25**	**4,180.70**
Carrying amount												
Balance at March 31, 2018	803.31	4,262.45	432.71	15,889.62	167.34	28.03	15.55	24.25	181.54	1.25	75.92	21,881.97
Balance at March 31, 2019	**923.45**	**4,099.48**	**370.04**	**14,830.35**	**187.34**	**23.29**	**15.25**	**16.42**	**219.19**	**2.34**	**103.07**	**20,790.22**

Note:

1 All property plant and equipment are given as collateral security to the bank for working capital loans by way of hypothecation on movable fixed assets including plant and machinery both present and future and equitable mortage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.

2 Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

(₹ in lacs)

04.	Investments in Subsidiaries and Associates	As at 31.03.2019		As at 31.03.2018	
		Qty Nos.	Amount	Qty Nos.	Amount ₹ lakhs
	Investments in Subsidiaries and Associates				
	Investments in Equity Instruments (Fully paid up unless stated otherwise)				
(a)	**Quoted Investments**				
	Associates				
	Gallantt Ispat Limited at face value of ₹ 1 each (P.Y ₹ 10 each)	7,25,19,920	4,260.20	72,51,992	4,260.20
	Total aggregate quoted investments	**7,25,19,920**	**4,260.20**	**72,51,992**	**4,260.20**
(b)	**Unquoted Investments**				
	Subsidiary				
	GL Steel & Power Ltd. at face value of ₹ 10 each.	58,800	5.88	58,800	5.88
	Total aggregate unquoted investments	**58,800**	**5.88**	**58,800**	**5.88**
	Total Investments carrying value		**4,266.08**		**4,266.08**
	Aggregate book value of quoted investments		**4,260.20**		**4,260.20**
	Aggregate market value of quoted investments		**21,828.50**		**19,584.00**

05.	**Other non-current financial assets** (Unsecured, Considered good)	As at 31.03.2019	As at 31.03.2018
	Security deposits	92.68	76.68
	Total non-current financial assets	**92.68**	**76.68**

06.	**Other non-current assets**		
	Capital advances	1,338.62	587.78
	Balance with Statutory / Governmnet Authotiies	750.87	763.06
	Total other non-current assets	**2,089.49**	**1,350.84**

07.	**Deferred tax balances**		
	The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:		
	Deferred tax assets	3,095.24	4,302.03
	Deferred tax liabilities	(3,136.86)	(2,870.30)
	Net deferred tax assets/(liabilities)	**(41.62)**	**1,431.73**
	For Year ended 31.03.2019		
	Deferred tax (liabilities)/assets in relation to:		
	Defferred Tax Liabilities		
	Written down value of Assets	3,133.82	2870.30
	Other Provision	3.04	-
		3,136.86	**2,870.30**
	Defferred Tax Assets		
	Mat Credit entitlement	3,011.60	4,242.59
	Provision for retirement benefit	43.19	25.08
	Other Provision	40.45	34.36
		3,095.24	**4,302.03**

(₹ in lacs)

08.	Inventories	As at 31.03.2019	As at 31.03.2018
	Raw materials		
	Including in transit ₹ 4,225.28 lakhs (P.Y. ₹ 5,541.77 lacs)	6,711.98	7,933.03
	Work-in-progress	32.97	33.48
	Finished products	2,589.57	1,156.42
	Stores and spare parts	1,737.98	1,855.84
	Total inventories	**11,072.50**	**10,978.77**

1. Inventories are pledged on pari passu first charge against short term loans from bank (refer note 16)
2. The mode of valuation of Inventories has been stated in note 02 point -05

09.	**Trade receivables (Current)** Unsecured, considered good		
	Total trade receivables	3,756.88	5,051.87
		3,756.88	**5,051.87**

1. Trade receivables are pledged on pari passu first charge against short term loans from bank (refer note 16).
2 Trade receivables includes ₹ Nil from realted party (P.Y. ₹ 5.92 lacs) (refer note 35).

10.	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	9.77	6.65
	Balances with banks		
	In current accounts	5.09	5.07
	In deposits accounts*	140.00	442.00
	Total cash and cash equivalents	**154.86**	**453.72**
	Other bank balances		
	In deposits accounts**	94.43	32.68
	Earmarked balance with bank for unclaimed dividend	0.75	-
		95.18	**32.68**
	Total cash and bank balances	**250.04**	**486.40**
	Included above		
	Bank deposits for margin against letters of credit and Bank Guarantee	234.43	474.68
	* This represent deposits with original maturity of less than or equal to three months.		
	** This represent deposits with original maturity of more than three months but within twelve months.		

11.	**Current Financial Assets - Loans** (Unsecured, considered good)		
	Loan to related parties (refer note 35)	211.28	92.74
	Loans to other Body Corporates	-	6,921.52
		211.28	**7,014.26**
	Details of loans under section 186(4) of the Companies Act, 2013		
	Shalimar Corp Limited	-	4,421.52
	Nihin Impex Private Limited	-	2,500.00
	GL Steel and Power Limited (wholly owned subsidiary)	211.28	92.74

11A.	**Other financial assets**		
	Interest accured on fixed deposits	2.94	5.59
	Others	7.96	3.21
	Total other financial assets	**10.90**	**8.80**

(₹ in lacs)

12.	Other current assets	As at 31.03.2019	As at 31.03.2018
	Advance with public bodies		
	Balance with Statutory and Government authorities	508.17	381.19
	Advance to suppliers	500.54	97.24
	Other advances and prepayments		
	Prepayments	52.57	36.10
	Others	4.03	58.07
	Total other current assetes	**1,065.31**	**572.60**

13.	Share capital		
	Authorised:		
	8,30,00,000 (P.Y. 8,30,00,000) Equity Shares of ₹ 10 each	8,300.00	8,300.00
	Issued, Subscribed and fully paid up:		
	8,13,22,324 (P.Y. 8,13,22,324) Equity Shares of ₹ 10 each	8,132.23	8,132.23
		8,132.23	**8,132.23**

Reconcilation of Number of Shares and amount outstanding at the beginning and end of the reporting period

	For the period ended 31.03.2019		For the period ended 31.03.2018	
	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	8,13,22,324	8,132.23	8,13,22,324	8,132.23
Issued during the year	-	-	-	-
At end of the year	**8,13,22,324**	**8,132.23**	**8,13,22,324**	**8,132.23**

Rights, preferences and restrictions attached to shares

Equity Shares

(i) The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(ii) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/ disinvestment.

(iii) The Company for the period of five years immediately preceding the date of Balance Sheet has not:

(a) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

(b) Allotted fully paid up shares by way of bonus shares.

(c) Bought back any class of shares.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	For the period ended 31.03.2019		For the period ended 31.03.2018	
Name of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Ispat Limited	3,94,62,895	48.53	3,94,62,895	48.53
Lexi Exports Pvt. Limited	1,19,30,679	14.67	1,19,77,179	14.73
Richie Credit and Finance Pvt. Ltd.	50,20,194	6.17	46,07,635	5.67
Hipoline Commecre Pvt. Ltd.	90,83,128	11.17	73,65,284	9.06

(₹ in lacs)

14.	Other Equity	As at 31.03.2019	As at 31.03.2018
	Securities premium	1,050.00	1,050.00
	Retained Earnings	38,914.73	31,997.18
	Other Comprehesive Income	50.50	44.85
	Total other equity	**40,015.23**	**33,092.03**
	Securities Premium		
	Opening and closing balance	1,050.00	1,050.00
	Retained Earnings		
	Opening balance	31,997.18	27,063.89
	Profit for the period	7,162.65	4,933.29
	Less : Dividend	(203.31)	-
	Tax On Dividend	(41.79)	-
	Closing balance	**38,914.73**	**31,997.18**
	Other Comprehensive Income		
	Opening Balance	44.85	48.17
	Other Comprehensive Income for the year	8.69	(5.08)
	Less : Tax impact on above	3.04	(1.76)
	Closing Balance	**50.50**	**44.85**
		40,015.23	**33,092.03**

Nature and purpose of reserve

Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders**.**

15.	Non-current Provisions	As at 31.03.2019	As at 31.03.2018
	Provision for employee benefits		
	Retirement gratuity	57.85	28.32
	Total provisions	**57.85**	**28.32**

16.	Current Financial Liabilities - Borrowings		
A.	**Secured - at amortised cost**		
(a)	**Repayable on demand**		
	From banks		
	Cash credit	1,594.66	3,912.21
(b)	Other loans		
	From banks		
	Buyer's credit	-	1,056.75
	e-VFS from State Bank of India	-	500.64
	Foreign currency loan (supplier credit)	2,450.46	-
	Rupee loan (Bill discounting)	1,081.37	-
	Total secured borrowings	**5,126.49**	**5,469.60**
	Total borrowings	**5,126.49**	**5,469.60**

1. The above working capital loan from bank is secured by first charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts- present and future.

2. The above working capital loan from bank is secured by collateral security by way of hypothecation on fixed assets including plant & machinery - both present and future and equitable mortage over immovable properties

(₹ in lacs)

of the company viz. land and building situated in Kutch, Gujarat.

3. The above working capital loan from bank is secured by collateral security by pledge of 5,10,500 (P.Y. 5,10,500) equity share of the company held by promoters.

4. The above working capital loans is guaranteed by the corporate guarantee of M/s Hipoline Commerce Pvt. Ltd.

5. The above working capital loan is guaranteed by the personal guarantee of Sri C. P. Agrawal, Sri Dinesh Raghubir Prasad Agarwal and Sri Nitin Mahabir Prasad Kandoi, Directors of the company.

6 The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest

17.	**Current Financial Liabilities - Derivative**		
		As at 31.03.2019	**As at 31.03.2018**
	Foreign currency forward contracts	28.61	-
	Total derivative liabilities	**28.61**	**-**

18.	**Current Financial Liabilities - Trade Payables**		
	Total outstanding dues to micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,846.06	7,891.09
	Total Trade Payables	**1,846.06**	**7,891.09**

Note:

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

19.	**Current Financial Liabilities - Others**		
		As at 31.03.2019	**As at 31.03.2018**
	Creditors for accrued wages and salaries	421.93	297.05
	Creditors for purchase of fixed assets	159.95	-
	Unclaimed Dividend	0.75	-
	Total other current financial liabilities	**582.63**	**297.05**

20.	**Current Provisions**		
	Provision for employee benefits		
	i). Post retirement gratuity	57.07	44.13
		57.07	**44.13**

21.	**Other current liabilities**		
	Advance received from customers	28.48	1.31
	Employee recoveries and employer's contributions	10.52	10.12
	Statutory dues	469.63	1,025.95
	Other credit balances	4.27	4.27
	Total other current liabilities	**512.90**	**1,041.65**

(₹ in lacs)

22.	Revenue from operations	For the year ended 31.03.2019	For the year ended 31.03.2018
	Sale of Products		
	Sale of manufactured goods	1,03,527.48	82,284.46
	Sale of traded goods	1,844.21	1,264.32
	Other Operating Revenue	1,006.84	1,009.26
	Revenue from Operations (Net)	**1,06,378.53**	**84,558.04**

23.	Other income		
	Interest income from financial assets measured at amortised cost		
	From fixed deposits	26.63	20.86
	From loans to subsidiaries and associates	17.83	0.27
	From Others	385.16	417.67
	Dividend income		
	From associate	72.52	36.26
	Profit on sale of current investemnt	12.88	-
	Other non operating income	25.19	1.17
	Total other income	**540.21**	**476.23**

24.	Cost of materials consumed		
	Raw materials & components consumed		
	Opening stock	7,933.03	6,248.42
	Add: Purchases	77,892.84	61,664.27
		85,825.87	**67,912.69**
	Less: Closing stock	6,711.98	7,933.03
	Total raw materials consumed	**79,113.89**	**59,979.66**

Notes:

i) Manufactured goods consumed for own use ₹ 294.11 lacs (P.Y. ₹ 133.33 lacs) deducted from raw material consumed at cost price.

25.	Changes in inventories of finished products and work in progress	For the year ended 31.03.2019	For the year ended 31.03.2018
	Inventories at the beginning of the year/period		
	Finished products	1,156.43	1,973.74
	Work-in-progress	33.48	30.21
		1,189.91	**2,003.95**
	Less: Inventories at the end of the year/period		
	Finished products	2,589.57	1,156.43
	Work-in-progress	32.97	33.48
		2,622.54	**1,189.91**
	Net (increase)/decrease	**(1,432.63)**	**814.04**

26.	Employee Benefit Expenses		
	Salaries and wages, including bonus	2,800.87	2,363.61
	Company's contribution to provident and other funds	106.80	95.89
	Workmen and staff welfare expenses	82.23	58.77
	Total employee benefits expense	**2,989.90**	**2,518.27**

Notes on financial statements for the year ended 31st March 2019

(₹ in lacs)

27.	Finance costs	For the year ended 31.03.2019	For the year ended 31.03.2018
	Interest expense	333.75	469.39
	Other Borrowing costs	265.24	186.77
	Total finance costs	**598.99**	**656.16**

28.	Depreciation and amortisation expense		
	Depreciation on tangible assets	1,409.29	1,496.96
	Total depreciation expense	**1,409.29**	**1,496.96**

29.	Excise duty		
	Excise duty on sale of finished products	-	2,369.79
	(Increase)/decrease in excise duty on finished products	-	(219.30)
	Total Excise duty expense	**-**	**2,150.49**

30.	Other expenses		
	Consumption of stores, spare parts and loose tools	1,956.88	1,693.20
	Repairs to buildings	59.77	65.75
	Repairs to plant and machinery	314.01	317.93
	Repairs to others	37.86	30.53
	Power and fuel	3,530.28	2,518.44
	Other manufacturing expenses	1,844.13	1,589.61
	Rent	3.82	5.97
	Rates, taxes and licenses	23.01	37.38
	Insurance charges	50.92	57.61
	Freight and handling charges	2,673.82	2,199.18
	Commission and brokerage	53.58	131.76
	Selling expenses	285.72	270.31
	Loss /(gain) on foreign currency transaction (net)	99.41	0.62
	Loss on sale/discard of assets	65.34	1.37
	Corporate social responsibility expenses	101.79	75.30
	Other general expenses	351.40	383.97
	Total other expenses	**11,451.74**	**9,378.93**

30.	Other expenses		
	Note:		
	Auditor's Remuneration (included in other general expenses)		
	Audit Fee	4.50	4.50
	Tax Audit Fee	0.50	0.50
	Other Services (certification fee)	0.50	0.50
	Reimbursement of expenses	0.87	0.93
		6.37	**6.43**

(₹ in lacs)

31.	Income tax recognised in profit and loss	For the year ended 31.03.2019	For the year ended 31.03.2018
	Current tax		
	Current Tax Expenses	2,354.63	1,472.01
	Mat credit availed / (entitlement)	1,231.01	623.17
	Income Tax Expenses	3,585.64	2,095.18
	In respect of prior years	11.92	1.82
	Income tax expenses including earlier year tax	**3,597.56**	**2,097.00**
	Deferred tax		
	Deferred tax (assets) / liabilities of the current year	239.30	(96.76)
	Deferred tax (assets) / liabilities in other comprehensive income	3.04	(1.76)
		242.34	**(98.52)**
	Total tax expense	**3,839.90**	**1,998.48**
	The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:		
	Profit before tax as per statement of Profit and Loss	10,999.51	6,933.53
	Accounting Profit before tax	10,999.51	6,933.53
	Applicable Income Tax rate	34.944%	34.608%
	Computed income tax expense	3,843.67	2,399.56
	Effect of income that is exempt from tax	(25.34)	(12.55)
	Effect of expenses that are not deductible in determining taxable profit	60.21	27.30
	Effect of timing difference of Depreciation	(312.04)	(347.09)
	Effect of timing difference of liabilities	19.14	27.96
		3,585.64	**2,095.18**
	Reconciliation of deferred tax (assets) / liabilities		
	Effect of written down value	263.50	(47.26)
	Effect of timing diference of liabilities	(24.20)	(49.5)
	Effect of timing diference of liabilities in other comprehensive income	**3.04**	**(1.76)**
		242.34	**(98.52)**

32. Segment Reporting

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Iron and Steel
- Power

Revenue ad expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as Unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

(₹ in lacs)

(i) Segment revenue and results

Segment revenue

	For the year ended 31.03.2019	For the year ended 31.03.2018
Steel	1,06,378.53	84,558.04
Power	15,177.64	14,824.20
Unallocated Other income (Net)	540.21	476.23
	1,22,096.38	**99,858.47**
Inter-segment revenue	15,177.64	14,824.20
Total	**1,06,918.74**	**85,034.27**
Segment Results		
Steel	5,962.37	2,139.62
Power	5,095.92	4,973.84
Total Segment Result	**11,058.29**	**7,113.46**
Interest	598.99	656.16
Other unallocated expenses /(income)	(540.21)	(476.23)
Profit /(Loss) before taxes	**10,999.51**	**6,933.53**

(ii) Segment assets and liabilities

Segment assets

	As at 31.03.2019	As at 31.03.2018
Steel	35,131.12	33,618.74
Power	16,710.89	9,680.63
Total segment assets	**51,842.01**	**43,299.37**
Unallocated	4,532.57	12,753.14
Total assets	**56,374.58**	**56,052.51**
Segment liabilities		
Steel	8,211.61	14,771.84
Power	-	-
Total segment liabilities	**8,211.61**	**14,771.84**
Unallocated	15.51	56.37
Shareholders' Fund	48,147.46	41,224.26
Total liabilities	**56,374.58**	**56,052.47**
Capital Expenditure		
Steel	3030.51	1952.20
Power	7354.97	-
Depreciation		
Steel	1,019.80	1,105.72
Power	389.49	391.24
Total depreciation	**1,409.29**	**1,496.96**
Customer contributing more than 10% of revenue		
Gallantt Steel Distributors	12,631.75	10,958.79
Rajasthan Steel	12,649.24	-
Tulsi Gallantt Agency	-	8,467.42

(₹ in lacs)

33.	Earnings per share	For the year ended 31.03.2019	For the year ended 31.03.2018
	Basic and diluted earnings per share		
	The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
	Profit for the year attributable to owners of the Company	7,162.65	4,933.29
	Weighted average number of equity shares for the purposes of basic earnings per share	8,13,22,324	8,13,22,324
	Basic & Diluted earnings per share	**8.81**	**6.07**

34. Employee Benefit plans

(i) Defined contribution plans

Provident fund

The contributions to the Provident Fund and Family Pension Fund of eligible employees are made to a Government administered Provident Fund i.e The Employees' Provident Fund amd Miscellaneous Provision Act 1952 and there are no further obligations beyond making such contribution.

(ii) Defined benefit plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from timt to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

Amount recognised as expenses

Employer's Contribution to Provident Fund amounting to ₹ 55.64 lacs (previous year ₹ 52.70 lacs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 51.15 lacs (previous year ₹ 43.19 lacs) has been included in Note 26 Employee Benefit Expenses.

(iii) The amount recognised in the Company's financial statements as at the year end as under:

	For the year ended 31.03.2019	For the year ended 31.03.2018
Movement in the present value of the defined benefit obligation		
Opening defined benefit obligation	150.66	97.81
Current service cost	45.08	40.88
Interest cost	12.05	6.71
Actuarial (gains)/ loss on obligation	(8.53)	5.26
Benefits paid	-	-
Closing defined benefit obligation	**199.26**	**150.66**

(₹ in lacs)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Movement in the fair value of the plan assets		
Opening fair value of plan assets	78.21	72.25
Interest income on plan assets	5.98	5.78
Employer's contribution	-	-
Actuarial (gains)/ loss on Plan Assets	0.16	0.18
Benefits paid	-	-
Closing fair value of plan assets	**84.35**	**78.21**
Components of defined benefit costs recognised in profit and loss		
Current service cost	45.08	40.88
Interest expenses on defined benefit obligation	12.05	6.71
Interest (income) on plan assets	(5.98)	(5.78)
Defined benefit cost included in Profit & Loss Account	**51.15**	**41.81**
Components of defined benefit costs recognised in other comprehensive income		
Actuarial (gains)/ loss on obligation for the year	(8.53)	5.26
Return on plan assets (excluding interest income)	(0.16)	(0.18)
Total defined benefit cost recognised in OCI	**(8.69)**	**5.08**
Amount recognised in the statement of financial position		
Present value of obligation at the end of the year'	199.26	150.66
Fair value of Plan Assets at the end of the year	(84.35)	(78.21)
Net defined benefit liability / (assets)	**114.91**	**72.45**
Of which Short term liability	57.06	44.13
Estimated contribution to be made in next financial year	57.45	36.22
Acturial Assumptions		
Discount Rate	7.65%	8.00%
Expected Rate of Return on plan Assets		
Salary Escalation rate	5.00%	5.00%
Employee Turnover		
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Assets Information		
Gratuity Fund (SBI Life)	84.35	78.21
Target allocation	100%	100%

Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31.03.2019		For the year ended 31.03.2018	
	(Increase)	(Decrease)	(Increase)	(Decrease)
Discount Rate (1% movement)	187.97	212.19	142.18	160.39
Salary esclation rate (1% movement)	213.14	186.75	161.17	141.09
Withdrawal rate (1% movement)	200.31	197.94	151.53	149.57

(₹ in lacs)

35. Related Party Disclosures

(i)	**Related parties where control exists**	
	Subsidiary Company	
	GL Steel and Power Limited'	
(ii)	**Related parties with whom transactions have taken place during the year**	
	Gallantt Ispat Limited	(Associate company)
	Ganesh Laxmi Processors Private Ltd	(Company under common control)
	Gallantt Foundation	(Trust under common control)
(iii)	**Key Management personnel**	
	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
	Mr. Dinesh Raghubir Prasad Agarwal	Whole-time Director
	Mr. Prashant Jalan	Director
	Mr. Sandip Kumar Agarwal	Chief Financial Officer
	Mr. Rajesh Upadhyay	Company Secretary (resigned on 31.03.2018)
	Mr. Tarun Kumar Rathi	Company Secretary
(iv)	**Relative of key management personnel**	
	Mr. Akash Agarwal	(Son of Mr. Dinesh Raghubir Prasad Agarwal)
	Mrs. Ritu Agarwal	(Wife of Mr. Sandip Kumar Agarwal) (resigned on 01.04.2018)

Related party Transactions

Name of the related party	**Nature of transaction**	**31 March, 2019**	**31 March, 2018**
GL Steel and Power Limited'	Loan given	102.50	92.50
	Interest income	17.82	0.27
	Investment	-	5.88
Gallantt Ispat Limited	Loan given	600.00	-
	Loan given (refund back)	600.00	-
	Loan taken	750.00	-
	Loan taken (refund)	750.00	-
	Sale of product	22.80	22.12
	Purchase of products	84.89	14.24
	Interest income	0.01	-
Ganesh Laxmi Processors Private Ltd.	Sale of product	70.85	9.14
	Purchase of products	2.62	7.86
Gallantt Foundation	Contribution in CSR	35.00	40.00
Mr. Chandra Prakash Agrawal	Remuneration	21.60	20.40
Mr. Dinesh Raghubir Prasad Agarwal	Remuneration	352.67	20.40
Mr. Prashant Jalan	Remuneration	6.73	6.73
Mr. Sandip Kumar Agarwal	Remuneration	13.34	12.00
Mr. Rajesh Upadhyay	Remuneration	-	12.73
Mr. Tarun Kumar Rathi	Remuneration	4.94	-
Mr. Akash Agarwal	Remuneration	26.65	21.67
Mrs. Ritu Agarwal	Remuneration	-	6.89
Outstanding Balance			
Name of the related party	**Nature of transaction**	**31 March, 2019**	**31 March, 2018**
GL Steel and Power Limited'	Loan given	211.28	92.74
Ganesh Laxmi Processors Private Ltd.	Sale of prodcuts	-	5.92

36. Capital management

The Company manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Company consists of net debt and the total equity of the Company.

(₹ in lacs)

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2019	As at 31.03.2018
Debt		
Current borrowings	(5,126.49)	(5,469.60)
Cash and bank balances	250.04	486.40
Net debt	**(4,876.45)**	**(4,983.20)**
Total equity	**48,147.46**	**41,224.26**
Equity share capital	8,132.23	8,132.23
Other equity	40,015.23	33,092.03
Net debt to equity ratio	(0.10)	(0.12)

37. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk management

The Company is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Company is Indian Rupee. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2019	As at 31.03.2018
Financial Liabilities			
Hedged			
Borrowings - Suppliers' Credit	USD	34.87	-
	INR	2,450.46	-
Unhedged			
Trade Paybale	USD	0.51	99.30
	INR	34.83	6,471.06
Borrowings - Buyers' Credit	USD	-	16.43
	INR	-	1,056.75

(₹ in lacs)

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Company does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows

Particulars	As at 31.03.2019	As at 31.03.2018
Others	3,756.88	5,051.87
	3,756.88	**5,051.87**

(iii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has access to funds from debt markets through loan from banks and other Debt instrument. The Company invests its surplus funds in bank fixed deposits.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at the Balance Sheet dates

As at 31.03.2019	Carrying amount	Less than 1 month	1 to 5 years	> 5 years
Short term borrowings	5,126.49	5,126.49	-	-
Derivative liabilities	28.61	28.61	-	-
Trade payables	1,846.06	1,846.06	-	-
Other financial liabilities	582.63	582.63	-	-

(₹ in lacs)

As at 31.03.2019	Carrying amount	Less than 1 month	1 to 5 years	> 5 years
As at 31.03.2018				
Short term borrowings	5,469.60	5,469.60	-	-
Derivative liabilities	-	-	-	-
Trade payables	7,891.09	7,891.09	-	-
Other financial liabilities	297.05	297.05	-	-

38. Fair value measurements

Refer Note (2.07) for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimare the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The company uses the following hierarchy for determining and disclosing the fair value of finnacial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significants effects on the recorded fair value are observable

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets:		
Investment - Non -current	4,266.08	4,266.08
Security deposits - Non - current	92.68	76.68
Trade receivables	3,756.88	5,051.87
Cash and cash equivalents	154.86	453.72
Other bank balances	95.18	32.68
Loan - Current	211.28	7,014.26
Other Financial assets - Current	10.90	8.80
Total	**8,587.86**	**16,904.09**
Financial Liabilities		
Borrowings - Current	5,126.49	5,469.60
Trade payable	1,846.06	7,891.09
Derivative financial liabilities	28.61	-
Other financial liabilities	582.63	297.05
Total	**7,583.79**	**13,657.74**

39. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	4,384.78	5,006.54

(₹ in lacs)

40. Contingent liabilities

		As at 31.03.2019	As at 31.03.2018
(i)	Curtailing the assured benefit of exemption granted to New Industrial unit in Kutch, Gujarat. The Company is entitled to exemption for 100% of the duty paid in Cash after utilization of CENVAT Credit for 5 years from the date of Commercial Production. Hon'ble High Court of Gujarat has granted the verdict in favor of Company, Department preferred appeal in Supreme Court.	595.96	595.96
(ii)	Commissioner of Central excise, Kutch Commissionerate issued Show Cause Notice on excise duty liabilty on sales tax incentive availed by the company.	170.12	170.12
(iii)	Demand raised by the Addl. Commisiner of Central Excise, Rajkot against utilisation of CENVAT credit of Basic Excise duty for payment of Education and Higher education Cess and filed appeal for the same before CESTAT, Ahmedabad.	49.22	49.22
(iv)	Benefit on import of coal from AIFTA Preferential Tariff denied by the Kandla custom. We have preferred appeal to Commissioner of Custom.	39.03	39.03
(v)	Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same).	80.04	80.04
(vi)	Income Tax (A.Y. -2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund)	21.69	21.69
(vii)	Income Tax (A.Y. -2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund)	48.07	48.07
(viii)	Claim against the company not acknowledged debt in respect of disputed liability of freight with railway. Case is pending in Hon'ble Highcourt, Gujarat.	161.45	161.45
(ix)	Hon'ble High court of Gujarat has declared collection of green cess by the State Act ultra vires the constitution and the same is therefor void and ordered to refund the green cess collected. We had applied for refund.	25.56	25.56
(x)	Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorithies.	423.43	158.33

Notes:

1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

41. Dividend on Equity Shares

Particulars	As at 31.03.2019	As at 31.03.2018
Cash dividend on equity share declared and paid		
Final dividend for the year ended 31st March 2018 :	-	203.31
₹ 0.25 per share (31st March 2017 ₹ Nil)		
Dividend distribution tax on final dividend	-	41.79
Total dividend paid	**-**	**245.10**

(₹ in lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
Proposed Dividend (*)		
₹ 0.25 per share (31st March 2018 ₹ 0.25)	203.31	203.31
Dividend distribution tax on final dividend	41.79	41.79
Total dividend proposed	**245.10**	**245.10**

(*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

42. Corporate Social Responsibilty Contribution (CSR Expenses)

Particulars	As at 31.03.2019	As at 31.03.2018
Gross amount required to be spent by the company during the year	94.13	72.79
Amount spent during the year on		
Construction / acquisition of any fixed assets	-	-
On purpose other than (i) above	101.79	75.30

43. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

44. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

45. Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

To the Members of **Gallantt Metal Limited**

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind As financial statements of **Gallantt Metal Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), its associate, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind As financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key Audit Matters	How our audit assessed the key audit matter
Revenue from sale of products (Refer Note 2.2 of the standalone Ind AS financial statements)	
The Holding Company recognises revenues when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Holding Company expects to be entitled in exchange for those goods. The terms of sales arrangements, including the timing of transfer of control, delivery specifications and judgement in determining timing of sales revenues. The risk is, therefore, that revenue may not be recognised in the correct period in accordance with Ind AS 115. Accordingly, due to the risk associated with revenue recognition, it was determined to be a key audit matter in our audit of the Consolidated Ind AS financial statements.	Following procedures have been performed to address this key audit matter: • Considered the Holding Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'. • Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition. • Performed sample test of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples tested, checked that the revenue has been recognised as per the incoterms / when the conditions for revenue recognitions are satisfied. • Selected sample of sales transactions made pre and post year end, agreed the period of revenue recognition to underlying documents. • Assessed the relevant disclosures made within the Condolidated Ind AS financial statements.
Assessment of litigations and related disclosure of contingent liabilities (Refer Note no. 2.11 and Note no. 40 of the Standalone Financial Statement)	

Key Audit Matters	How our audit assessed the key audit matter
As of March 31, 2019, the Holding Company has disclosed contingent liabilities of ₹ 1,614.57 Lakhs relating to tax and legal claims. Taxation, arbitration and litigation exposures have been identified as a key audit matter due to the uncertainties and timescales involved for the resolution of these claims. Accordingly, there is judgement required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Consolidated Ind AS financial statements.	Following procedures have been performed to address this key audit matter • Gained an understanding of the process of identification of claims, litigations, arbitrations and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls. • Discussed and analysed material legal cases with the Holding Company's legal department. • Analysed the responses obtained from the Holding Company's legal advisors who conduct the court cases, tax and administrative proceedings, in which their status and possible expected manner of proceeding were described. • Received confirmation obtained by the Holding Company from their legal counsel / consultants on a samples basis. • Evaluated management's assumptions and estimates relating to the recognition of the provisions for disputes and disclosures of contingent liabilities in the Consolidated Ind AS financial statements. • Assessed the adequacy of the disclosures with regard to facts and circumstances of the legal and litigation matters.

Other Matter

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated change of equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Other Matters

We did not audit the financial statements and other financial information of one subsidiary whose financial statements reflect total assets of Rs. 216.01 Lakhs as at 31st March, 2019, total revenues of Rs. Nil, total net profit/(loss) Nil, the total comprehensive income/loss of Rs. Nil and and net cash flows amounting to Rs. 1.52 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 3271.54 Lakhs for the year ended 31st March, 2019 and total comprehensive income of Rs. 3271.98 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements and financial information have not been audited by us. These financial statements and other financial information have been audited by other auditors which Ind AS financial statements, other financial information and auditor's report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and consolidated Statement of Changes in equities dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure B.

g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the provisions of section 197 read with Schedule V of the Act are not applicable to the subsidiary incorporated in India for the year ended March 31, 2019.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates – Refer Note 40 to the consolidated Ind AS financial statements.

   ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate companies incorporated in India.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A. K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated: April 29, 2019

Annexure A

Responsibilities for Audit of Consolidated Ind AS Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31st March, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A. K. Khetawat)
Partner
Membership Number: 052751

Place: Gorakhpur
Dated:April 29, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/S GALLANTT METAL LIMITED** ("the Holding Company") and its subsidiary and associate (collectively referred to as "the Group"),as of 31 March 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its subsidiary and associate companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary and associate companies have, in all material respects,

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary and one associate company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company.

For **ALPS & Company**
Chartered Accountants
Firm's Registration No.313132E

(A. K. Khetawat)
Partner
Membership Number: 05275

Place: Gorakhpur
Dated:April 29, 2019

Consolidated Balance Sheet as at 31st March 2019

(₹ in lacs)

	Notes	As at 31.03.2019	As at 31.03.2018
(I) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	03	20,790.22	21,881.97
(b) Intangible Asset		3.15	3.15
(c) Capital work in progress		12,748.00	2,860.21
		33,541.37	**24,745.33**
(d) Financial assets			
(i) Investments	04	19,619.77	16,362.49
(ii) Other financial assets	05	92.68	76.68
(e) Other non-current assets	06	2,141.60	1,392.69
(f) Deferred tax assets (Net)	07	(41.62)	1,431.73
(g) Advance Income tax assets (net)		65.10	73.51
		55,418.90	**44,082.43**
(2) Current Assets			
(a) Inventories	08	11,072.50	10,978.77
(b) Financial assets			
(i) Trade receivables	09	3,756.88	5,051.87
(ii) Cash and cash equivalent	10(a)	157.41	454.75
(iii) Other balances with bank	10(b)	254.26	182.45
(iv) Loans	11	–	6,921.52
(v) Other financial assets	11A	10.90	8.80
(c) Other current assets	12	1,065.30	572.60
		16,317.24	**24,170.75**
TOTAL ASSETS		**71,736.14**	**68,253.18**
(II) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	8,132.23	8,132.23
(b) Other equity	14	55,374.79	45,194.31
		63,507.02	**53,326.54**
(2) Non-current liabilities			
(a) Provisions	15	57.85	28.32
		57.85	**28.32**
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	5,126.49	5,567.15
(ii) Derivative liabilities	17	28.62	-
(iii) Trade payables	18	1,846.06	7,891.09
(iv) Other financial liabilities	19	582.64	297.05
(b) Provisions	20	57.06	44.13
(c) Other current liabilities	21	514.89	1,042.53
(d) Current Income tax liabilities (net)		15.51	56.37
		8,171.27	**14,898.32**
TOTAL EQUITY AND LIABILITIES		**71,736.14**	**68,253.18**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Consolidated Statement of Profit and Loss for the year ended 31st March 2019

(₹ in lacs)

	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
(1) Revenue from operations	22	1,06,378.53	84,558.04
(2) Other income	23	540.21	476.23
(3) Total Revenue (1) + (2)		**1,06,918.74**	**85,034.27**
(4) EXPENSES			
(a) Cost of materials consumed	24	79,113.89	59,979.66
(b) Purchase of stock in trade		1,788.05	1,106.23
(c) Changes in inventories of finished products and work in progress	25	(1,432.63)	814.04
(d) Employee benefits expense	26	2,989.90	2,518.27
(e) Finance costs	27	598.99	656.16
(f) Depreciation expense	28	1,409.29	1,496.96
(g) Excise duty	29	-	2,150.49
(h) Other expenses	30	11,451.74	9,378.93
Total Expenses (4)		**95,919.23**	**78,100.74**
(5) Profit before tax (3) - (4)		**10,999.51**	**6,933.53**
(6) Tax Expense			
(a) Current tax			
(i) Current tax for current period		3,585.64	2,095.18
(ii) Current tax for the previous years		11.92	1.82
(b) Deferred tax			
(i) Deferred tax for current period		239.30	(96.76)
Total tax expense (6)		**3,836.86**	**2,000.24**
(7) Profit for the period (5) - (6)		**7,162.65**	**4,933.29**
(8) Share of Profit from Associate		**3,271.54**	**1,340.67**
(9) Profit for the period		**10,434.19**	**6,273.96**
(10) Other comprehensive income (OCI)			
(a) Items that will not be reclassified to statement of profit and loss			
(i) Remeasurement of the employees defined benefit plans		8.69	(5.08)
(ii) Share of OCI from Associate		0.44	4.43
(iii) Less :Income tax relating to items that will not be reclassified to profit or loss		3.04	(1.76)
Total other comprehensive income (10)		**6.10**	**1.11**
(11) Total comprehensive income for the period (9) + (10)		**10,440.29**	**6,275.07**
(12) Earnings per equity share: (Face value of share of ₹ 10 each)	33		
(a) Basic		**12.83**	**7.71**
(b) Diluted		**12.83**	**7.71**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Consolidated Statement of Changes in Equity for the year ended 31st March 2019

(₹ in lacs)

A. Equity Share Capital

Particulars	Amount
Balance as at 1st April 2017	8,132.23
Changes in equity share capital during the year ended March 31, 2018	-
Balance as at 31st March 2018	8,132.23
Changes in equity share capital during the year ended March 31, 2019	-
Balance as at 31st March 2019	**8,132.23**

B. Other Equity

Statement of changes in Equity	Reserves and surplus			Items of OCI	
	Capital Reserve	Security Premium	Retained Earnings	Remeasurement of defined benefit liability	Total Equity
Balance at April 1 ,2017	**4,300.68**	**1,050.00**	**28,594.00**	**56.11**	**34,000.79**
Total comprenensive income for the year ended 31.03.2018					
Profit for the year	-	-	6,273.96	-	6,273.96
Other Comprehensive Income	-	-	-	1.11	1.11
Change in share of associates	4,918.45	-	-	-	4,918.45
Balance at March 31, 2018	**9,219.13**	**1,050.00**	**34,867.96**	**57.22**	**45,194.31**
Total comprenensive income for the year ended 31.03.2019					
Profit for the period	-	-	10,434.19	-	10,434.19
Other Comprehensive Income	-	-	-	6.09	6.09
Change in share of associates	(14.70)	-	-	-	(14.70)
Total Comprehensive income	**9,204.43**	**1,050.00**	**45,302.15**	**63.31**	**55,619.89**
Transaction with owners, recorded directly in equity contributions by and distribution to owners					
Dividend (including dividend distribution tax)	-	-	(245.10)	-	(245.10)
Total contribution by and distribution to owner	**-**	**-**	**(245.10)**	**-**	**(245.10)**
Balance at March 31, 2019	**9,219.13**	**1,050.00**	**45,057.05**	**63.31**	**55,374.79**

See accompanying notes forming part of the financial statements

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Consolidated Cash Flow Statement for the year ended 31 March 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
A.	**Cash Flow from Operating activities:**		
	Profit for the period	10,999.51	6,933.53
	Adjustments for:		
	Income tax expenses recognised in the statement of profit and loss		
	Depreciation expense	1,409.29	1,496.96
	Interest income	(429.62)	(438.80)
	Interest expenses	333.75	469.39
	Remeasurement Gain / (Loss) on defined benefit plan	8.69	(5.08)
	Net (Gain)/Loss on derivative instruments	28.60	-
	(Profit)/loss on sale of property, plant & equipments	65.34	1.37
	Liabilities/provision no longer required written back	0.15	(1.17)
	Share of Profit/ (Loss) from Associates	3,271.98	1,345.10
	Operating profit before working capital changes	**15,687.70**	**9,801.31**
	Adjustments for (increase)/decrease in operating assets		
	Inventories	(93.73)	(1,117.53)
	Trade receivables	1,294.99	(1,649.05)
	Non-current financial Assets	(16.00)	(6.15)
	Other non-current assets	1.95	(559.59)
	Current financial assets	(4.74)	4.21
	Other current assets	(492.72)	940.88
	Adjustments for increase/(decrease) in operating liabilities		
	Trade Payables	(6,045.03)	5,687.86
	Current financial liabilities	125.64	71.15
	Other current liabilities	(527.65)	395.18
	Provisions	42.31	48.06
	Cash generated from operations	9,972.71	13,616.32
	Direct taxes paid	(2,399.00)	(1,435.62)
	Net cash generated from operating activities	**7,573.71**	**12,180.70**
B.	**Cash Flow from Investing activities:**		
	Purchase of property, plant and equipment	(10,976.39)	(2,543.12)
	Sale of property, plant & equipment	114.85	10.70
	Investment in Shares	(3,271.98)	(1,345.10)
	Movement in loans and advances	6,921.52	(6,068.16)
	Movement in fixed deposit held as margin	(71.81)	(138.32)
	Interest received	432.27	433.21
	Net cash (used in) investing activities	**(6,851.54)**	**(9,650.79)**

Consolidated Cash Flow Statement for the year ended 31st March 2019

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
C.	**Cash Flow from Financing activities:**		
	Repayment of short term borrowings	(440.66)	(1,850.97)
	Interest paid	(333.75)	(469.39)
	Dividend Paid	(203.31)	-
	Dividend distribution tax paid	(41.79)	-
	Net cash (used in) financing activities	**(1,019.51)**	**(2,320.36)**
	Net increase/(decrease) in cash and cash equivalents	**(297.33)**	**209.55**
	Cash and cash equivalents as at 1st April	**454.75**	**245.20**
	Cash and cash equivalents as at 31st March	**157.41**	**454.75**

See accompanying notes forming part of the financial statements

1. Cash and cash equivalents represents cash, cheques on hand and balances with banks. (Refer Note. 10(a))
2. Figures in brackets represent outflows.

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751
Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

Note - 01 General Information

1.01 Corporate Information

Gallant Metal Limited ("the Company") is a public limited company domiciled in India incorporated under the provisions of the Companis Act. The registered office of the company is located in Kolkata, West Bengal, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company including its subsidiary and associate collectively referred as (Group) is engaged in manufacturing of Steel and Steel products with power plant and having its manufacturing unit at Village Samakhyali, Dist Kutch in the State of Gujarat.

1.02 Basis of preparation of financial statement

These financial statement have been prepared in accordance with the generally accepted accouting principles in India under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period) on accural basis to comply in all material aspects with the Indian Accounting Standards (herein after referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companis Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment rules, 2016.

The consolidated financial statements have been prepared on accrual and going concern basis. All assets and liabilities of each entity in the Group have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Gropup has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements of the group for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on April 29, 2019

1.03 Basis of measurement

These financial statements are prepared under the historical cost convention otherwise indicated.

1.04 Functional and presentation currency

The functional currency and presentation currency of the Group is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Group operate.All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

1.05 Key estimates and assumptions

The preparation of separate financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the separate financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Useful lives of Property, plant and equipment (Refer Note 2.01)
- Assets and obligations relating to employee benefits (Refer Note 2.15)
- Valuation and measurement of income taxes and deferred taxes (Refer Note 2.16)
- Provisions and Contingencies

  (Refer Note 2.11)

1.06 Measurement of fair values

The group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the

requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note -02 Significant Accounting Policies

2.01 Property, Plant and Equipment (PPE)

Land, Buildings, Plant and Equipment, Furniture and Fixtures and Vehicles held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. Cost includes purchase cost of materials, including import duties and non-refundable taxes, any directly attributable costs of bringing an asset to the location and condition of its intended use and borrowing costs capitalised in accordance with the Company's accounting policy.

Properties in the course of construction for production or supply of goods or services or for administrative purposes are carried at cost, less any recognsed impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over the useful lives, using the straight-line method. Depreciation of assets commences when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes is accounted as change in estimate on a prospective basis.

Estimated useful lives of the assets are as follows:

Buildings	3 to 60 years
Plant and equipment:	10 to 25 years
Furniture and Fixtures:	10 years
Office Equipments	5 to 10 years
Computers	3 years
Motor Vehicles	8 to 10 years
Rolls	1 year

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit and loss.

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.02 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment (if any) losses. Amortisation is recognised at straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of intangible assets is recognised in profit and loss.

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per

the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.03 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets (Other than goodwill) to determined whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not be adjusted.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying value of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash generating unit in prior years. Any reversal of an impairment loss is recognised immediately in profit and loss.

2.04 Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 01, 2016.

2.05 Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price, non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Stores and spares are valued at cost comprising of purchase price, non refundable taxes and duties and other directly attributable costs after providing for obsolescence and other losses, where considered necessary.

Value of inventories are generally ascertained on the "FIFO (First in First out)" basis.

2.06 Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows,cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.07 Financial Assets

i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

ii) Subsequent Measurement

Financial assets are subsequently / classified and measured at:

amortised cost

fair value through profit and loss (FVTPL)

fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

iii) Trade Receivables and Loans

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

iv) Debt Instruments

(a) Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the Company's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

(b) Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

c) Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(d) Measured at fair value through profit or loss: A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

v) Equity Instruments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Group makes such election on an instrument-by-instrument basis.Fair value changes on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

vii) Impairment of Financial Asset

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Group recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's

trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

2.08 Financial Liabilities

i) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

ii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.09 Off setting of Financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Derivative Financial instruments

The group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.11 Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The expenses relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

Commitments includes the amount of purchase orders (net of advance) issued to parties for acquisition of assets.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

2.12 Revenue recognition

i). Sale of goods

Sales are recognised when goods are supplied and significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of contract and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii). Dividend and Interest income

Dividend income is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

iii). Insurance Claims

Insurance claims are accounted for on acceptance and when there is a reasonable certainty of receiving the same, on ground of prudence.

2.13 Foreign Currencies Transactions

The financial statements of the Group are presented in Indian Rupee (INR), which is Group's functional and presentation currency.

Transactions in currencies other than entity's functional currency (foreign currency) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are remeasured at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that at denominated in foreign currency are retranslated at the rate prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange difference on monetary items are recognised in profit and loss in the period.

2.14 Borrowing costs

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs that are directly attributable to the acquisition of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is put to use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

2.15 Employee Benefits

i) Short-term benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

ii) Post Employment Benefit

(a) Defined Contribution Plans

Payments made to a defined contribution plan such as Provident Fund and Family Pension maintained with Regional Provident Fund Office are charged as an expense in the Statement of Profit and Loss as they fall dues.

(b) Defined Benefit Plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, after discounting the same. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

2.16 Taxes on Income

i) Current tax

Current tax is payable based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone

statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying value of assets and liabilities in the Standalone financial statements and the corresponding tax bases used in the computation of taxable profits and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are only recognised on deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights too set off current tax assets and current tax liabilities within that jurisdiction.

iii) Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is recognised as a deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the group will pay normal income tax during the specified period and it is probable that future economic benefit associated with it will flow to the group.

iv) Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.17 Earning Per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

03. Property, plant and equipment

	Freehold Land	Freehold Building	Roads	Plant and Machinery	Electrical installation and Equipments	Lab Equipments	Furniture and fixtures	Office Equipments	Motor Vehicles	Computers	Rolls	Total
Cost or deemed cost												
Balance at April 1, 2017	803.31	4,579.92	557.57	17,851.79	390.91	34.41	28.33	37.62	140.64	4.64	180.28	24,609.42
Additions	-	-	-	57.53	8.01	9.10	-	7.21	105.43	1.43	171.32	360.03
Disposals	-	-	-	-	-	-	-	-	(13.56)	-	(180.28)	(193.84)
Balance at March 31, 2018	803.31	4,579.92	557.57	17,909.32	398.92	43.51	28.33	44.83	232.51	6.07	171.32	24,775.61
Additions	120.14	-	-	42.92	40.79	-	3.26	0.58	79.96	1.05	209.00	497.70
Disposals	-	-	-	(277.70)	(3.04)	-	-	-	(21.65)	-	-	(302.39)
Balance at March 31, 2019	**923.45**	**4,579.92**	**557.57**	**17,674.54**	**436.67**	**43.51**	**31.59**	**45.41**	**290.82**	**7.12**	**380.32**	**24,970.92**
Accumulated depreciation												
Balance at April 1, 2017	-	154.50	62.19	1,007.56	215.51	10.06	7.10	9.56	26.27	2.55	83.15	1,578.45
Depreciation expense	-	162.97	62.67	1,012.14	16.07	5.42	5.68	11.02	28.83	2.27	189.89	1,496.96
Disposals	-	-	-	-	-	-	-	-	(4.13)	-	(177.64)	(181.77)
Balance at March 31, 2018	-	317.47	124.86	2,019.70	231.58	15.48	12.78	20.58	50.97	4.82	95.40	2,893.64
Depreciation expense	-	162.97	62.67	935.34	17.75	4.74	3.56	8.41	31.17	0.83	181.85	1,409.29
Disposals	-	-	-	(110.85)	-	-	-	-	(10.51)	(0.87)	-	(122.23)
Balance at March 31, 2019	**-**	**480.44**	**187.53**	**2,844.19**	**249.33**	**20.22**	**16.34**	**28.99**	**71.63**	**4.78**	**277.25**	**4,180.70**
Carrying amount												
Balance at March 31, 2018	803.31	4,262.45	432.71	15,889.62	167.34	28.03	15.55	24.25	181.54	1.25	75.92	21,881.97
Balance at March 31, 2018	**923.45**	**4,099.48**	**370.04**	**14,830.35**	**187.34**	**23.29**	**15.25**	**16.42**	**219.19**	**2.34**	**103.07**	**20,790.22**

Note:

1 All property plant and equipment are given as collateral security to the bank for working capital loans by way of hypothecation on movable fixed assets including plant and machinery both present and future and equitable mortage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.

2 Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

04.	Non-Current Investment				
		As at 31.03.2019		As at 31.03.2018	
		Qty Nos.	Amount	Qty Nos.	Amount
	Investments in Subsidiaries and Associates				
	Investments in Equity Instruments (Fully paid up unless stated otherwise)				
(a)	**Quoted Investments**				
	Associates				
	Gallantt Ispat Limited at face value of ₹ 1 each (P.Y. ₹ 10 each)	7,25,19,920	4,260.20	72,51,992	4,260.20
	Capital reserve on Consolidation		9,204.43		9,219.13
	Post Acquisition profit		6,142.32		2,870.78
	Post Acquisition OCI		12.82		12.38
	Total aggregate quoted investments	**7,25,19,920**	**19,619.77**	**72,51,992**	**16,362.49**
	Total Investments carrying value		**19,619.77**		**16,362.49**
	Aggregate book value of quoted investments		**19,619.77**		**16,362.49**
	Aggregate market value of quoted investments		**21,828.50**		**19,584.00**

05.	**Other non-current financial assets** (Unsecured, Considered good)		
		As at 31.03.2019	As at 31.03.2018
	Security deposits	92.68	76.68
	Total non-current financial assets	**92.68**	**76.68**

06.	**Other non-current assets**		
	Capital advances	1,338.62	587.78
	Balance with Statutory / Governmnet Authotiies	750.87	763.06
	Others	52.11	41.85
	Total other non-current assets	**2,141.60**	**1,392.69**

07.	**Deferred tax balances**		
	The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:		
	Deferred tax assets	3,095.24	4,302.03
	Deferred tax liabilities	(3,136.86)	(2,870.30)
	Net deferred tax assets/(liabilities) for the year ended 31.03.2019	**(41.62)**	**1,431.73**
	Deferred tax (liabilities)/assets in relation to:		
	Defferred Tax Liability		
	Written down value of Assets	3,133.83	2,870.30
	Other Provision	3.04	–
		3,136.87	**2,870.30**
	Defferred Tax Assets		
	Mat Credit entitlement	3,011.6	4,242.59
	Provision for retirement benefit	43.19	25.08
	Other Provision	40.45	34.36
		3,095.24	**4,302.03**

(₹ in lacs)

08.	Inventories	As at 31.03.2019	As at 31.03.2018
	Raw materials	6,711.98	7,933.03
	Including in transit ₹ 4,225.28 lacs (P.Y ₹ 5,541.77 lacs)		
	Work-in-progress	32.97	33.48
	Finished products	2,589.57	1,156.42
	Stores and spare parts	1,737.98	1,855.84
	Total inventories	**11,072.50**	**10,978.77**

1. Inventories are pledged on pari passu first charge against short term loans from bank (refer note 16)

2. The mode of valuation of Inventories has been stated in note 02 point -05

09.	**Trade receivables (Current)** Unsecured, considered good		
	Total trade receivables	3,756.88	5,051.87
		3,756.88	**5,051.87**

1. Trade receivables are pledged on pari passu first charge against short term loans from bank (refer note 16).

2 Trade receivables includes ₹ Nil from realted party (P.Y. ₹ 5.92 lakhs) (refer note 35).

10.	**Cash and bank balances**		
	Cash and cash equivalents		
	(i). Cash on hand	11.03	6.65
	(ii). Balances with banks		
	(a) In current accounts	6.38	6.10
	(b) In deposits accounts*	140.00	442.00
	Total cash and cash equivalents 10(i)	**157.41**	**454.75**
	Other bank balances		
	In deposits accounts**	253.51	182.45
	Earmarked balance with bank for unclaimed dividend	0.75	-
		254.26	182.45
	Total cash and bank balances	**411.66**	**637.20**
	Included above		
	Bank deposits for margin against letters of credit and Bank Guarantee	393.51	624.45
	* This represent deposits with original maturity of less than or equal to three months.		
	** This represent deposits with original maturity of more than three months but within twelve months.		

11.	**Current Financial Assets - Loans** (Unsecured, considered good)		
	Loans to other Body Corporates	-	6,921.52
		-	**6,921.52**
	Details of loans under section 186(4) of the Companies Act, 2013		
	Shalimar Corp Limited	-	4,421.52
	Nihin Impex Private Limited	-	2,500.00

11A.	**Other financial assets**		
	Interest accured on fixed deposits	2.94	5.59
	Others	7.96	3.21
	Total other financial assets	**10.90**	**8.80**

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

12.	Other current assets		
		As at 31.03.2019	As at 31.03.2018
	Advance with public bodies		
	i) Balance with Statutory and Government authorities	508.17	381.19
	ii) Advance to suppliers	500.53	97.24
	iii) Other advances and prepayments		
	Prepayments	52.57	36.10
	Others	4.03	58.07
	Total other current assetes	**1,065.30**	**572.60**

13.	Share capital		
	Authorised:		
	8,30,00,000 (P.Y. 83,000,000) Equity Shares of ₹ 10 each	8,300.00	8,300.00
	Issued, Subscribed and fully paid up:		
	8,13,22,324 (P.Y. 81,322,324) Equity Shares of ₹ 10 each	8,132.23	8,132.23
		8,132.23	**8,132.23**

Reconciliation of Number of shares and amount outstanding at the beginning and end of the reporting period

	For the period ended 31.03.2019		For the period ended 31.03.2018	
	No. of Shares	Amount ₹ Lakhs	No. of Shares	Amount ₹ Lakhs
Equity shares				
Issued, subscribed and fully paid up:				
At beginning and end of the year	8,13,22,324	8,132.23	8,13,22,324	8,132.23
Issued during the year	-	-	-	-
At end of the year	**8,13,22,324**	**8,132.23**	**8,13,22,324**	**8,132.23**

Rights, preferences and restrictions attached to shares

Equity Shares

(i) The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

(ii) The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/ disinvestment.

(iii) The Company for the period of five years immediately preceding the date of Balance Sheet has not:

(a) Allotted any class of shares as fully paid pursuant to contract(s) without payment being received in cash.

(b) Allotted fully paid up shares by way of bonus shares.

(c) Bought back any class of shares.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	For the period ended 31.03.2019		For the period ended 31.03.2018	
Name of Shareholders	No. of Shares	% of holding	No. of Shares	% of holding
Gallantt Ispat Limited	3,94,62,895	48.53	3,94,62,895	48.53
Lexi Exports Pvt. Limited	1,19,30,679	14.67	1,19,77,179	14.73
Richie Credit and Finance Pvt. Ltd.	50,20,194	6.17	46,07,635	5.67
Hipoline Commecre Pvt. Ltd.	90,83,128	11.17	73,65,284	9.06

(₹ in lacs)

14.	Other Equity		
		As at 31.03.2019	As at 31.03.2018
	Securities premium	1,050.00	1,050.00
	Retained Earnings	45,057.05	34,867.96
	Capital Reserve	9,204.43	9,219.13
	Other Comprehesive Income	63.32	57.22
	Total other equity	**55,374.79**	**45,194.31**
	Securities Premium		
	Opening and closing balance	1,050.00	1,050.00
	Retained Earnings		
	Opening balance	34,867.96	28,594.00
	Profit for the period	10,434.19	6,273.96
	Less : Dividend	(203.31)	–
	Tax On Dividend	(41.79)	–
	Closing balance	**45,057.05**	**34,867.96**
	Other Comprehensive Income		
	Opening Balance	57.22	56.11
	Other Comprehensive Income for the year	9.13	1.70
	Less : Tax impact on above	3.04	0.59
	Closing Balance	**63.32**	**57.22**
	Capital Reserve		
	Opening balance	9,219.13	4,300.68
	Adition during the year	(14.70)	4,918.45
	Closing balance	**9,204.43**	**9,219.13**
		55,374.79	**45,194.31**

Nature and purpose of reserve

Securities Premium Account : The amount received in excess of face value of the equity shares is recognised in ecurities Premium Reserve. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium reserve.

Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

15.	Non-current Provisions		
		As at 31.03.2019	As at 31.03.2018
	Provision for employee benefits		
	Retirement gratuity	57.85	28.32
	Total provisions	**57.85**	**28.32**

16.	Current Financial Liabilities - Borrowings		
A.	**Secured - at amortised cost**		
	Repayable on demand		
	From banks		
	Cash credit	1,594.66	3,912.21
	Other loans		
	From Bank		
	Buyer's credit	-	1,056.75
	e-VFS from State Bank of India	-	500.64
	Foreign currency loan (supplier credit)	2,450.46	-
	Rupee loan (Bill discounting)	1,081.37	-
	Total secured borrowings	**5,126.49**	**5,469.60**
B.	**Unsecured - at amortised cost**		
	Other loans	-	97.55
	Total Unsecured borrowings	**-**	**97.55**
	Total borrowings	**5,126.49**	**5,567.15**

(₹ in lacs)

1. The above working capital loan from bank is secured by first charge by hypothecation over all the current assets including stocks of raw materials, Stock in process, Finished Goods and book debts- present and future.
2. The above working capital loan from bank is secured by collateral security by way of hypothecation on fixed assets including plant & machinery - both present and future and equitable mortage over immovable properties of the company viz. land and building situated in Kutch, Gujarat.
3. The above working capital loan from bank is secured by collateral security by pledge of 510,500 (31.03.2017: 510,500, 31.03.2016: 510,500) equity share of the company held by promoters.
4. The above working capital loans is guaranteed by the corporate guarantee of M/s Hipoline Commerce Pvt. Ltd.
5. The above working capital loan is guaranteed by the personal guarantee of Sri C. P. Agrawal, Sri Dinesh Raghubir Prasad Agarwal and Sri Nitin Mahabir Prasad Kandoi, Directors of the company.
6 The Company does not have any default as on the Balance Sheet date in repayment of loan or Interest.

17.	**Current Financial Liabilities - Derivative**		
		As at 31.03.2019	**As at 31.03.2018**
	Foreign currency forward contracts	28.62	-
	Total derivative liabilities	**28.62**	**-**

18.	**Current Financial Liabilities - Trade Payables**		
	Total outstanding dues to micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,846.06	7,891.09
	Total Trade Payables	**1,846.06**	**7,891.09**

Note:

Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. There is no undisputed amount overdue as on March 31, 2019, to Micro, Small and Medium Enterprises on account of principal or interest.

19.	**Current Financial Liabilities - Others**		
		As at 31.03.2019	**As at 31.03.2018**
	Creditors for accrued wages and salaries	421.93	297.05
	Creditors for purchase of fixed assets	159.96	-
	Unclaimed Dividend	0.75	-
	Total other current financial liabilities	**582.64**	**297.05**

20.	**Current Provisions**		
	Provision for employee benefits		
	Post retirement gratuity	57.06	44.13
		57.06	**44.13**

21.	**Other current liabilities**		
	Advance received from customers	28.48	1.31
	Employee recoveries and employer's contributions	10.52	10.12
	Statutory dues	471.40	1,026.77
	Other credit balances	4.49	4.33
	Total other current liabilities	**514.89**	**1,042.53**

(₹ in lacs)

22.	Revenue from operations	For the year ended 31.03.2019	For the year ended 31.03.2018
	Sale of Products		
	Sale of manufactured goods	1,03,527.48	82,284.46
	Sale of traded goods	1,844.21	1,264.32
	Other Operating Revenue	1,006.84	1,009.26
	Revenue from Operations (Net)	**1,06,378.53**	**84,558.04**

23.	Other income		
	Interest income from financial assets measured at amortised cost		
	i). From fixed deposits	26.63	20.86
	ii) From loans to subsidiaries	17.83	0.27
	iii). From Others	385.16	417.67
	Dividend income		
	i) From associate	72.52	36.26
	Profit on sale of current investemnt	12.88	–
	Other non operating income	25.19	1.17
	Total other income	**540.21**	**476.23**

24.	Cost of materials consumed		
	Raw materials & components consumed		
	Opening stock	7,933.03	6,248.42
	Add: Purchases	77,892.84	61,664.27
		85,825.87	**67,912.69**
	Less: Closing stock	6,711.98	7,933.03
	Total raw materials consumed	**79,113.89**	**59,979.66**

Notes:

i). Manufactured goods consumed for own use ₹ 294.11 lacs (P.Y ₹ 133.33 lacs) deducted from raw material consumed at cost price.

25.	Changes in inventories of finished products and work in progress	For the year ended 31.03.2019	For the year ended 31.03.2018
	Inventories at the beginning of the year/period		
	Finished products	1,156.43	1,973.74
	Work-in-progress	33.48	30.21
		1,189.91	**2,003.95**
	Inventories at the end of the year/period		
	Finished products	2,589.57	1,156.43
	Work-in-progress	32.97	33.48
		2,622.54	**1,189.91**
	Net (increase)/decrease	**(1,432.63)**	**814.04**

26.	Employee benefits expense		
	Salaries and wages, including bonus	2,800.87	2,363.61
	Company's contribution to provident and other funds	106.80	95.89
	Workmen and staff welfare expenses	82.23	58.77
	Total employee benefits expense	**2,989.90**	**2,518.27**

Notes on Financial Statement for the year ended 31st March, 2019

(₹ in lacs)

27.	Finance costs	For the year ended 31.03.2019	For the year ended 31.03.2018
	Interest expense	333.75	469.39
	Other Borrowing costs	265.24	186.77
	Total finance costs	**598.99**	**656.16**

28.	Depreciation and amortisation expense		
	Depreciation on tangible assets	1,409.29	1,496.96
	Total depreciation expense	**1,409.29**	**1,496.96**

29.	Excise duty		
	Excise duty on sale of finished products	-	2,369.79
	(Increase)/decrease in excise duty on finished products	-	(219.30)
	Total Excise duty expense	**-**	**2,150.49**

30.	Other expenses		
	Consumption of stores, spare parts and loose tools	1,956.88	1,693.20
	Repairs to buildings	59.77	65.75
	Repairs to plant and machinery	314.01	317.93
	Repairs to others	37.86	30.53
	Power and fuel	3,530.28	2,518.44
	Other manufacturing expenses	1,670.57	1,437.97
	Rent	3.82	5.97
	Rates, taxes and licenses	23.01	37.38
	Insurance charges	50.92	57.61
	Freight and handling charges	2,673.82	2,199.18
	Commission and brokerage	53.58	131.76
	Selling expenses	459.28	421.95
	Loss /(gain) on foreign currency transaction (net)	99.41	0.62
	Loss on sale/discard of assets	65.34	1.37
	Corporate social responsibility expenses	101.79	75.30
	Other general expenses	351.40	383.97
	Total other expenses	**11,451.74**	**9,378.93**

	Note:		
	Auditor's Remuneration (included in other general expenses)		
	Audit Fee	4.50	4.50
	Tax Audit Fee	0.50	0.50
	Other Services (certification fee)	0.50	0.50
	Reimbursement of expenses	0.87	0.93
		6.37	**6.43**

31.	Income tax recognised in profit and loss		
	Current tax		
	Current Tax Expenses	2,354.63	1,472.01
	Mat credit availed / (entitlement)	1,231.01	623.17
	Income Tax Expenses	**3,585.64**	**2,095.18**
	In respect of prior years	11.92	1.82
	Income tax expenses including earlier year tax	**3,597.56**	**2,097.00**

(₹ in lacs)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Deferred tax		
Deferred tax (assets) / liabilities of the current year	239.30	(96.76)
Deferred tax (assets) / liabilities in other comprehensive income	3.04	(1.76)
	242.34	**(98.52)**
Total tax expense	**3,839.90**	**1,998.48**
The income tax expense for the year can be reconciled to the accounting profit (loss) as follows:		
Profit before tax as per statement of Profit and Loss	10,999.51	6,933.53
Accounting Profit before tax	10,999.51	6,933.53
Applicable Income Tax rate	34.944%	34.608%
Computed income tax expense	3,843.67	2,399.56
Effect of income that is exempt from tax	(25.34)	(12.55)
Effect of expenses that are not deductible in determining taxable profit	60.21	27.30
Effect of timing difference of Depreciation	(312.04)	(347.09)
Effect of timing difference of liabilities	19.14	27.96
	3,585.64	**2,095.18**
Reconciliation of deferred tax (assets) / liabilities		
Effect of written down value	263.50	(47.26)
Effect of timing diference of liability	(24.20)	(49.50)
Effect of timing diference of liability in other comprehensive income	**3.04**	**(1.76)**
	242.34	**(98.52)**

32. Segment Reporting

Information reported to the Chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses based on products and services. Accordingly, directors of the Company have chosen to organise the segment based on its product and services as follows:

- Iron and Steel
- Power

Revenue and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as Unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as Unallocable.

The company's financing and income taxes are managed on a company level and are not allocated to operating segment.

(i) Segment revenue and results

Segment revenue

	For the year ended 31.03.2019	For the year ended 31.03.2018
Steel	1,06,378.53	84,558.04
Power	15,177.64	14,824.20
Unallocated Other income (Net)	540.21	476.23
	1,22,096.38	**99,858.47**
Inter-segment revenue	15,177.64	14,824.20
Total	**1,06,918.74**	**85,034.27**

(₹ in lacs)

	For the year ended 31.03.2019	For the year ended 31.03.2018
Segment Results		
Steel	5,962.37	2,139.62
Power	5,095.92	4,973.84
Total Segment Result	**11,058.29**	**7,113.46**
Interest	598.99	656.16
Other unallocated expnses /(income)	(540.21)	(476.23)
Profit /(Loss) before taxes	**10,999.51**	**6,933.53**

(ii) Segment assets and liabilities

Segment assets

	As at 31.03.2019	As at 31.03.2018
Steel	35,344.84	33,812.60
Power	16,710.89	9,680.63
Total segment assets	**52,055.73**	**43,493.23**
Unallocated	19,680.41	24,759.95
Total assets	**71,736.14**	**68,253.19**
Segment liabilities		
Steel	8,213.61	14,870.27
Power	-	-
Total segment liabilities	**8,213.61**	**14,870.27**
Unallocated	15.51	56.37
Shareholders' Fund	63,507.02	53,326.54
Total liabilities	**71,736.14**	**68,253.18**
(iii) Capital Expenditure		
Steel	3,030.51	1,952.2
Power	7,354.97	-
Depreciation		
Steel	1,019.80	1,105.72
Power	389.49	391.24
Total depreciation	**1,409.29**	**1,496.96**

(iv) Customer contributing more than 10% of revenue	For Year ended 31.03.2019	For Year ended 31.03.2018
Gallantt Steel Distributors	12,631.75	10,958.79
Rajasthan Steel	12,649.24	-
Tulsi Gallantt Agency	-	8,467.42

33. Earnings per share

	For the year ended 31.03.2019	For the year ended 31.03.2018
Basic and diluted earnings per share		
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Company	10,434.19	6,273.96
Weighted average number of equity shares for the purposes of basic earnings per share	8,13,22,324	8,13,22,324
Basic & Diluted earnings per share	**12.83**	**7.71**

(₹ in lacs)

34. Employee Benefit plans

(i) Defined contribution plans

Provident fund

The contributions to the Provident Fund and Family Pension Fund of eligible employees are made to a Government administered Provident Fund i.e The Employees' Provident Fund amd Miscellaneous Provision Act 1952 and there are no further obligations beyond making such contribution.

(ii) Defined benefit plans

Gratuity

The Company participates in the Employees' Group Gratuity-cum-Life Assurance Scheme of SBI Life Insurance Co. Ltd., a funded defined benefit plan for qualifying employees. Gratuity is payable to all eligible employees on death or on separation / termination in terms of the provisions of the Payment of Gratuity Act, 1972 (as amended from timt to time), or as per the Company's scheme whichever is more beneficial to the employees.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

Assumed discount rates are used in the measurement of the present value of the obligation.

Amount recognised as expenses

Employer's Contribution to Provident Fund amounting to ₹ 55.64 lacs (previous year ₹ 52.70 lacs) has been included in Note 26 Employee Benefits Expenses.

Gratuity cost amounting to ₹ 51.15 lacs (previous year ₹ 43.19 lacs) has been included in Note 26 Employee Benefits Expenses.

(iii) The amount recognised in the Company's financial statements as at the year end as under:

		For the year ended 31.03.2019	For the year ended 31.03.2018
1.	**Movement in the present value of the defined benefit obligation**		
	Opening defined benefit obligation	150.66	97.81
	Current service cost	45.08	40.88
	Interest cost	12.05	6.71
	Actuarial (gains)/ loss on obligation	(8.53)	5.26
	Benefits paid	-	-
	Closing defined benefit obligation	**199.26**	**150.66**
2.	**Movement in the fair value of the plan assets**		
	Opening fair value of plan assets	78.21	72.25
	Interest income on plan assets	5.98	5.78
	Employer's contribution	-	-
	Actuarial (gains)/ loss on Plan Assets	0.16	0.18
	Benefits paid	-	-
	Closing fair value of plan assets	**84.35**	**78.21**
3.	**Components of defined benefit costs recognised in profit and loss**		
	Current service cost	45.08	40.88
	Interest expenses on defined benefit obligation	12.05	6.71
	Interest (income) on plan assets	(5.98)	(5.78)
	Defined benefit cost included in Profit & Loss Account	**51.15**	**41.81**

(₹ in lacs)

		For the year ended 31.03.2019	For the year ended 31.03.2018
4	**Components of defined benefit costs recognised in other comprehensive income**		
	Actuarial (gains)/ loss on obligation for the year	(8.53)	5.26
	Return on plan assets (excluding interest income)	(0.16)	(0.18)
	Total defined benefit cost recognised in OCI	**(8.69)**	**5.08**
5	**Amount recognised in the statement of financial position**		
	Present value of obligation at the end of the year'	199.26	150.66
	Fair value of Plan Assets at the end of the year	(84.35)	(78.21)
	Net defined benefit liability / (assets)	**114.91**	**72.45**
	Of which Short term liability	57.06	44.13
6.	**Estimated contribution to be made in next financial year**	57.45	36.22
7.	**Acturial Assumptions**		
	Discount Rate	7.65%	8.00%
	Expected Rate of Return on plan Assets		
	Salary Escalation rate	5.00%	5.00%
	Employee Turnover		
	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
8.	**Assets Information**		
	Gratuity Fund (SBI Life)	84.35	78.21
	Target allocation	100%	100%
	(iii) Sensitivity Analysis Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.		

	(increase)	(Decrease)	(increase)	(Decrease)
Discount Rate (1% movement)	187.97	212.19	142.18	160.39
Salary esclation rate (1% movement)	213.14	186.75	161.17	141.09
Withdrawal rate (1% movement)	200.31	197.94	151.53	149.57

35. Related Party Disclosures

(i)	**Related parties where control exists**	
	Subsidiary Company	
	GL Steel and Power Limited	
(ii)	**Related parties with whom transactions have taken place during the year**	
	Gallantt Ispat Limited	(Associate company)
	Ganesh Laxmi Processors Private Ltd	(Company under common control)
	Gallantt Foundation	(Trust under common control)
(iii)	**Key Management personnel**	
	Mr. Chandra Prakash Agrawal	Chairman and Managing Director
	Mr. Dinesh Raghubir Prasad Agarwal	Wholtime Director
	Mr. Prashant Jalan	Director
	Mr. Sandip Kumar Agarwal	Chief Financial Officer
	Mr. Rajesh Upadhyay	Company Secretary (resigned on 31.03.2018)
	Mr. Tarun Kumar Rathi	Company Secretary

(₹ in lacs)

(iv)	Relative of key management personnel	
	Mr. Akash Agarwal	(Son of Mr. Dinesh Raghubir Prasad Agarwal)
	Mrs. Ritu Agarwal	(Wife of Mr. Sandip Kumar Agarwal) (resigned on 01.04.2018)

Related party Transactions

Name of the related party	Nature of transaction	31 March, 2019	31 March, 2018
Gallantt Ispat Limited	Loan given	600.00	-
	Loan given (refund back)	600.00	-
	Loan taken	750.00	-
	Loan taken (refund)	750.00	-
	Sale of product	22.80	22.12
	Purchase of products	84.89	14.24
	Interest income	0.01	-
Ganesh Laxmi Processors Private Ltd.	Sale of product	70.85	9.14
	Purchase of products	2.62	7.86
Gallantt Foundation	Contribution in CSR	35.00	40.00
Mr. Chandra Prakash Agrawal	Remuneration	21.60	20.40
Mr. Dinesh Raghubir Prasad Agarwal	Remuneration	352.67	20.40
Mr. Prashant Jalan	Remuneration	6.73	6.73
Mr. Sandip Kumar Agarwal	Remuneration	13.34	12.00
Mr. Rajesh Upadhyay	Remuneration	-	12.73
Mr. Tarun Kumar Rathi	Remuneration	4.94	-
Mr. Akash Agarwal	Remuneration	26.65	21.67
Mrs. Ritu Agarwal	Remuneration	-	6.89
Outstanding Balance			
Ganesh Laxmi Processors Private Ltd.	Sale of prodcuts	-	5.92

36. Capital management

The Group manages its capital to ensure that entities will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Capital structure of the Group consists of net debt and the total equity of the Company.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, long term-term borrowings, short-term borrowings, less cash and short-term deposits.

Gearing Ratio

The gearing ratio at end of the reporting period was as follows

	As at 31.03.2019	As at 31.03.2018
Debt		
Current borrowings	(5,126.49)	(5,567.15)
Cash and bank balances	411.66	637.20
Net debt	**(4,714.83)**	**(4,929.95)**
Total equity	**63,507.02**	**53,326.54**
Equity share capital	8,132.23	8,132.23
Other equity	55,374.79	45,194.31
Net debt to equity ratio	(0.07)	(0.09)

37. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The Group's principal financial assets include loans, trade and other receivables, and cash and

(₹ in lacs)

short-term deposits that derive directly from its operations. The Group also holds FVTOCI investments and enter into derivative transactions. The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risks, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments. The Group does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

(i) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

Foreign currency risk management

The Group is exposed to currency risk on account of its borrowings, Receivables for Exports and Payables for Imports in foreign currency. The functional currency of the Group is Indian Rupee. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time.

Exposure to currency Risk

The currency profile of financial liabilities as at Balance Sheet dates are as below:

	Currency	As at 31.03.2019	As at 31.03.2018
Financial Liabilities			
Hedged			
Borrowings - Suppliers' Credit	USD	34.87	-
	INR	2,450.46	-
Unhedged			
Trade Paybale	USD	0.51	99.30
	INR	34.83	6,471.06
Borrowings - Buyers' Credit	USD	-	16.43
	INR	-	1,056.75

Interest rate risk management

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's short-term debt obligations with floating interest rates.

Interest rate sensitivity analysis

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(ii) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables and loans and advances

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the geography in which it operates. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

(₹ in lacs)

The Group monitors each loans and advances given and makes any specific provision wherever required.

Based on prior experience and an assessment of the current economic environment, Management believes there is no credit risk provision required. Also Group does not have any significant concentration of credit risk.

The ageing of trade receivables that were not impaired was as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Others	3,756.88	5,051.87
	3,756.88	**5,051.87**

(iii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Management monitors rolling forecasts of the group's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Group has access to funds from debt markets through loan from banks and other Debt instrument. The Group invests its surplus funds in bank fixed deposits.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities as at the Balance Sheet dates

As at 31.03.2019	Carrying amount	Less than 1 month	1 to 5 years	> 5 years
Short term borrowings	5,126.49	5,126.49	-	-
Derivative liabilities	28.62	28.62	-	-
Trade payables	1,846.06	1,846.06	-	-
Other financial liabilities	582.64	582.64	-	-
As at 31.03.2018				
Short term borrowings	5,567.15	5,567.15	-	-
Derivative liabilities	-	-	-	-
Trade payables	7,891.09	7,891.09	-	-
Other financial liabilities	297.05	297.05	-	-

38. Fair value measurements

Refer Note (2.07) for accounting policy on Financial Instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

the following methods and assumptions were used to estimare the fair values:

Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, working capital loan from banks approximate their carrying amounts largely due to the short term maturities of these instruments.

Financial instruments other than above are carried at amortised cost except certain assets which are carried at fair value.

The group uses the following hierarchy for determining and disclosing the fair value of finnacial instruments by valuation technique

Level -1 : Quoted prices in active markets for identical assets or liabilities

Level -2 : Other techniques for which all inputs which have a significants effects on the recorded fair value are observable

(₹ in lacs)

Level -3 : Techniques using inputs having significant effect on the recorded fair value that are not based on observable market data.

Particulars	As at 31.03.2019	As at 31.03.2018
Financial Assets:		
Investment - Non -current	19,619.77	16,362.49
Security deposits - Non - current	92.68	76.68
Trade receivables	3,756.88	5,051.87
Cash and cash equivalents	157.41	454.75
Other bank balances	254.26	182.45
Loan - Current	-	6,921.52
Other Financial assets - Current	10.90	8.80
Total	**23,891.90**	**29,058.55**
Financial Liabilities		
Borrowings - Current	5,126.49	5,567.15
Trade payable	1,846.06	7,891.09
Derivative financial liabilities	28.62	-
Other financial liabilities	582.64	297.05
Total	**7,583.81**	**13,755.29**

39. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for	4,384.78	5,006.54

40. Contingent liabilities

(i)	Curtailing the assured benefit of exemption granted to New Industrial unit in Kutch, Gujarat. The Company is entitled to exemption for 100% of the duty paid in Cash after utilization of CENVAT Credit for 5 years from the date of Commercial Production. Hon'ble High Court of Gujarat has granted the verdict in favor of Company, Department preferred appeal in Supreme Court.	595.96	595.96
(ii)	Commissioner of Central excise, Kutch Commissionerate issued Show Cause Notice on excise duty liabilty on sales tax incentive availed by the company.	170.12	170.12
(iii)	Demand raised by the Addl. Commisiner of Central Excise, Rajkot against utilisation of CENVAT credit of Basic Excise duty for payment of Education and Higher education Cess and filed appeal for the same before CESTAT, Ahmedabad.	49.22	49.22
(iv)	Benefit on import of coal from AIFTA Preferential Tariff denied by the Kandla custom. We have preferred appeal to Commissioner of Custom.	39.03	39.03
(v)	Disputed liability in respect of sales tax (₹ 42.00 lacs has been paid against the same).	80.04	80.04
(vi)	Income Tax (A.Y. -2009-10) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund)	21.69	21.69
(vii)	Income Tax (A.Y. -2012-13) demand raised by Addl. CIT and have filed appeal before the Commissioner Income Tax, Appeal. (Demand adjusted against future refund)	48.07	48.07

(₹ in lacs)

	Particulars	As at 31.03.2019	As at 31.03.2018
(viii)	Claim against the company not acknowledged debt in respect of disputed liability of freight with railway. Case is pending in Hon'ble Highcourt, Gujarat.	161.45	161.45
(ix)	Hon'ble High court of Gujarat has declared collection of green cess by the State Act ultra vires the constitution and the same is therefor void and ordered to refund the green cess collected. We had applied for refund.	25.56	25.56
(x)	Outstanding guarantees to bank in respect of the guarantees given by bank in favour of various government authorithies.	423.43	158.33

Notes:

1 The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

2 It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

The group has elected to continue with the carrying value of its investments in associates as recognised in the financial statements as at the date of transition to Ind AS. Accordingly, the group has measured all its investments in associates at their previous GAAP carrying value.

41. Dividend on Equity Shares

Particulars	For Year ended 31.03.2019	For Year ended 31.03.2018
Cash dividend on equity share declared and paid		
Final dividend for the year ended 31st March 2018 :	-	203.31
₹ 0.25 per share (31st March 2017 ₹ Nil)		
Dividend distribution tax on final dividend	-	41.79
Total dividend paid	-	245.10
Proposed Dividend (*)		
₹ 0.25 per share (31st March 2018 ₹ 0.25)	203.31	203.31
Dividend distribution tax on final dividend	41.79	41.79
Total dividend proposed	**245.10**	**245.10**

(*) Proposed Dividend is subject to Shareholders' approval in the ensuing Annual General Meeting and has not been recognised as a liability as at Balance Sheet date.

42. Corporate Social Responsibilty Contribution (CSR Expenses)

a) Gross amount required to be spent by the company during the year	94.13	72.79
b) Amount spent during the year on		
i) Construction / acquisition of any fixed assets	-	-
ii) On purpose other than (i) above	101.79	75.30

(₹ in lacs)

43. Subsequent Events

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

44. Balances under Trade receivables, Trade Payables, Loans and Advances payable or receivable are subject to confirmation to be received from some of the parties.

45. Figures for the previous years have been regrouped / restated wherever necessary to conform to current year's presentation.

As per terms of our report attached
For **ALPS & Co.**
Chartered Accountants
Firm Registration No : 313132E

(A. K. Khetawat)
Partner
Membership No.: 52751

Place : Gorakhpur
Dated : April 29, 2019

For and on behalf of the Board of Directors

Chandra Prakash Agrawal	*Chairman & Managing Director*
Dinesh Raghubir Prasad Agarwal	*Whole-time Director*
Sandip Kumar Agarwal	*Chief Financial Officer*
Tarun Kumar Rathi	*Company Secretary*

GALLANTT METAL LIMITED

CIN:L27109DL2005PLC350524
"GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi – 110014.
Telefax: 011-45048767; Email: csgml@gallantt.com
Website: www.gallantt.com

ATTENDANCE SLIP

Annual General Meeting, Thursday, the 26th day of September, 2019 at 12.30 p.m.
at Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014. India

Name of the Shareholder	
Address	
Registered Folio/ DP ID & Client ID	
No of Shares held	
Name of the Proxy / AuthorisedRepresentative, if any	

I / We hereby record my / our presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 26th day of September, 2019 at 12.30 p.m. at Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi 110014. India

Signature of Shareholder/ Proxy/ Authorised Representative

Note:

The Member/Proxy must bring this Attendance Slip to the Meeting, duly completed and signed, and hand over the same at the venue entrance.

GALLANTT METAL LIMITED

CIN:L27109DL2005PLC350524
Registered Office: "Gallantt House", I-7, Jangpura Extension, New Delhi-110014
Phone No. 011-45048767, Fax No. 011-45048767
E-mail : csgml@gallantt.com
(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

FORM NO. MGT-11

FORM OF PROXY

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / *DP-ID & Client	

**Applicable for Investors holding shares in electronic form.*

I / We, being the member (s) of …….. shares of the above named company, hereby appoint:

1.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

2.	Name:	Address:
	E-mail Id:	Signature:

Or failing him

3.	Name:	Address:
	E-mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, 26th day of September, 2019 at 12.30 p.m. at "Geeta Bhawan", 16, Block C, Jungpura Extension, Jangpura, New Delhi, Delhi 110014, and at any adjournment thereof in respect of such resolutions as is/are indicated below:-

** I/We wish my/our above Proxy to vote in the manner as indicated in the box below:-

Resolutions No.	Resolution(s)	For	Against
	Ordinary Business		
1	To consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Audited Consolidated Financial Statements of the Company for the said financial year and the Reports of the Board of Directors and Auditors thereon.		
2	To declare final dividend on equity shares for the financial year ended 31st March, 2019.		
3	To appoint a Director in place of Mr. Prashant Jalan(DIN: 06619739), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.		
	Special Business		
4	Re-appointment of Mr. Prashant Jalan(DIN: 06619739) as a Whole-time Director of the Company designated as "Director- Plant Operation" and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution:		
5	Appointment of Mr. Ashtbhuja Prasad Srivastava (DIN: 08434115) as an Independent Director		
6	Appointment of Mr.Dindayal Jalan (DIN: 00006882) as an Independent Director		
7	Approval of payment of Remuneration to Cost Auditor.		

Resolutions No.	Resolution(s)	For	Against
8	Reappointment of Mrs.Richa Bhartiya (DIN: 06905283) as an Independent Director and in this regard, to consider and if thought fit, to pass, the following resolution as a Special resolution:		

Signed this …… day of …….. 2019.

Affix Re.1 Revenue Stamp

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Signature of Shareholder Signature of Proxy holder(s):

Notes:

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. **This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.**
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. **This is only optional. Please put a 'x' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
6. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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GALLANTT

www.gallantt.com

If undelivered, Please return to :

GALLANTT METAL LTD.

(CIN : L27109DL2005PLC350524)

"GALLANTT HOUSE", I-7, Jangpura Extension,

New Delhi - 110014

print@manjari.net

Annual Report 2018-19

Perseverance

AAR COMMERCIAL COMPANY LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Anupam Khetan
Mrs. Uma Sharma
Mrs. Nishi Agarwal
Mr. Udit Agarwal

CHIEF FINANCIAL OFFICER

Mr. Avijit Das

COMPANY SECRETARY

Mr. Arvind Kumar Modi

CORPORATE IDENTIFICATION NUMBER

L63090WB1982PLC035019*

REGISTERED OFFICE

Flat No – 22, Second Floor, Right Side,
Bazar Lane, Bhogal, Jangpura,
New Delhi – 110 014
Phone No: 011-4614 3189

WEBSITE

www.aarccl.in

BANKERS

Canara Bank

AUDITORS

M/s. R. K. Tapadia & Co.
Chartered Accountants
1/1, Sevak Baidya Street,
New Indrapuri, 4thFloor,
Kolkata – 700 029

REGISTRAR & SHARETRANFER AGENT

M/s. Niche Technologies Pvt. Ltd.
7th Floor, Room No. 7A & 7B,
3A Auckland Road,
Kolkata - 700 017 (W.B.)
Phone: 033-22806616/17/18
Email: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

CONTENTS

Directors' Report	**02**
Corporate Governance Report	**23**
Management Discussion and Analysis	**43**
Standalone Accounts	**45**

*** Registered Office of the Company has been shifted from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana (from Kolkata to New Delhi). E-Form INC-22 (informing the Registrar of Companies about situation of New Registered Office) has been filed with ROC. New Corporate Identification Number has not been generated/provided yet.**

DIRECTORS' REPORT

ToThe Members,

Your Directors have pleasure in submitting 37th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

The summarized financial performance of the Company for the year under review as compared with previous year's figures are given hereunder :

(Rs. in lacs)

Particulars	F.Y. 2018 - 19	F.Y. 2017 - 18
Net Sales / Income from Business Operations	–	–
Other Income	**127.37**	29.18
Total Income	**127.37**	29.18
Total Expenditure	**26.55**	11.29
Profit Before Tax	**100.83**	17.89
Less: Tax Expenses	**20.18**	0.64
Profit/(Loss) After Tax	**80.64**	17.25
Basic & Diluted Earnings per Equity Share	**0.81**	0.17

OPERATIONAL REVIEW

Gross revenues for this financial year stood at Rs. 1,27,37,423.00 as against Rs. 29,18,063.50 in the previous year. Profit before depreciation and taxation was Rs. 1,00,82,715.20 as against Rs. 17,89,115.35 in the previous year. After providing for depreciation and taxation the net profit of the Company for the year under review was placed at Rs. 80,64,452.20 as compared to Rs. 17,25,330.35 in the previous year.

FINANCIAL ACCOUNTING AND ADAOPTION OF IND-AS

The Financial Statements for the FY 2018-19 are prepared under Ind-AS. Pursuant to Section 129(3) of the Companies Act, 2013, the Financial Statements of the Company are prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard on Financial Statements is provided in the Annual Report.

DIVIDEND

No Dividend was declared for the current financial year due to conservation of Profits incurred by the Company.

The provisions of Section 125(2) of the Companies Act, 2013 relating to transfer of Unclaimed Dividend to Investor Education and Protection Fund do not apply as there was no dividend declared and paid by the Company.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company are given in the notes to the financial statements.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS' REPORT *(Contd.)*

SHARE CAPITAL

The paid-up equity capital as on March 31, 2019 was Rs. 100,140,000. No Bonus Shares were issued neither company bought back any of its securities during the year under review. The company has not issued any shares with differential voting rights nor granted stock options nor sweat equity shares. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company. The Company has paid Listing Fees for the financial year 2019-20 to each of the Stock Exchanges, where its equity shares are listed. During the year Camellia Tradelink Private Limited, a Wholly Owned Subsidiary amalgamated with the Company. Since the entire shareholding of this Wholly Owned Subsidiary was held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director- ER) the Authorised Share Capital of the Wholly Owned Subsidiary Company clubbed/ merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at Rs. 12,45,00,000/-

LISTING OF SHARES

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai and Calcutta Stock Exchange Limited, Kolkata.

The Listing Fee has been paid to the Stock Exchanges for the FY 2019-20. The ISIN No. of the Company is INE184K01013.

EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed Form – MGT 9 is furnished in **Annexure A** and is attached to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

However, the Board has adopted this Policy in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Regulations) to ensure that all Related Party Transactions shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions. The Policy on Related Party Transactions is uploaded in the Company's website www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/policy-on-related-party-transactions.pdf

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Management and Business Risk Evaluation 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.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "Code of Conduct for Board of Directors & Senior Management Personnel". The Code has been posted on the Company's website www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/code-of-onduct-for-board-of-directors-and-senior-management-personnel.pdf

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. There was no foreign exchange inflow or outflow during the year under review.

DIRECTORS' REPORT *(Contd.)*

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES AND EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any Sweat Equity Shares or Equity Shares with Differential Rights during the financial year.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its Responsibility Statement:-

a) In the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;

b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) The directors had 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;

d) The directors had prepared the annual accounts on a going concern basis;

e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating efficiently.

   Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure B** and is attached to this report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company held **9** Board Meetings during the financial year under review. Detailed information is given in the Corporate Governance Report.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. The Code has been posted on the Company's website www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/code-of-conduct-for-prevention-of-insider-trading.pdf

All Board of Directors and the designated employees have confirmed compliance with the Code.

DIRECTORS' REPORT *(Contd.)*

FAMILIARISATION PROGRAMME

Your Company follows a structured 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.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/AAR_COMM_FAMILARISATION_PROGRAMME_OF_INDIPENDENT_DIRECTORS.pdf

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company Mrs. Uma Sharma (DIN: 06862354) will retire by rotation at the ensuing AGM of the Company and being eligible, offers herself for re-appointment.

In terms of the provisions of Section 149, 152 of the Companies Act, 2013 which came into effect from 1st April, 2014, Schedule IV and other applicable provisions, if any, 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 the Company and are not liable to retire by rotation. All Independent Directors of the Company have submitted a declaration that each of them meets the criteria of Independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 framed thereunder, read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Udit Agarwal (DIN: 07036864), who was appointed as an Independent Director and who holds the office of Independent Director up to December 5, 2019 and who meets the criteria for Independence, being eligible for re-appointment be and is hereby re-appointed as a non-retiring Independent Director on the Board of the Company for Second Term of 5 (Five) consecutive years w.e.f. December 6, 2019."

The following are the Key Managerial Personnel of the Company:

SL. No.	NAME	DIN/PAN	DESIGNATION
1.	Anupam Khetan	07003797	Whole-time Director
2.	Avijit Das	AHXPD4883E	Chief Financial Officer (CFO)
3.	Arvind Kumar Modi	AUHPM5239Q	Company Secretary (CS)

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a) & (b) of the Companies Act, 2013and a certificate dated 13th August, 2019 received from Company Secretary in Practice certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

PARTICULARS OF MANAGERIAL REMUNERATION

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

DIRECTORS	RATIO TO MEDIAN REMUNERATION
Mr. Anupam Khetan	1:1
Mrs. Uma Sharma	N.A. *
Mr. Rajendra Yadav	N.A. *
Mr. Udit Agarwal	N.A. *
Mr. Kumar Deepak	N.A. *
Mr. Arvind Kumar Modi	1.47:1
Mr. Avijit Das	1.22:1

* Except sitting fees no remuneration is paid to the Non-Executive Independent Directors.

DIRECTORS' REPORT *(Contd.)*

II. Percentage increase in remuneration of directors, chief financial officer, company secretary, if any, in the financial year

NAME	DESIGNATION	% INCREASE
Anupam Khetan	Whole-time Director	0.00
Mrs. Uma Sharma	Non-Executive Director	N.A. *
Mr. Rajendra Yadav	Non-Executive Independent Director	N.A. *
Mr. Udit Agarwal	Non-Executive Independent Director	N.A. *
Mr. Kumar Deepak	Non-Executive Independent Director	N.A. *
Mr. Avijit Das	Chief Financial Officer	0.00
Mr. Arvind Kumar Modi	Company Secretary	175 %

III. Percentage increase in the median remuneration of employees in the financial year: 344.44 %

IV. Number of permanent employees on the rolls of Company: 5

V. 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:

Managerial Personnel – Salary of Mr. Arvind Kumar Modi increased to ₹ 2.64 Lacs in the Financial Year 2018-19.

Non-Managerial Personnel –0.00 %

VI. The key parameters for any variable component of remuneration availed by the directors: N.A.

VII. Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is as per the remuneration policy of the Company.

VIII. There is no employee whose remuneration exceeds the limits prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

REMUNERATION OF DIRECTORS

The details regarding remuneration to Directors are shown separately in MGT-9 attached as **Annexure A** which forms part of the Directors Report.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

DISCLOSURE OF COMPOSITION VIGIL MECHANISM POLICY

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

The policy on vigil mechanism is attached with this report as **Annexure C** and is also available on the website of the company i.e. www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/whistle-blower-policy.pdf

DETAILS OF COMPOSITION OF COMMITTEES

(i) Audit Committee

The Audit Committee of the Company as on the date of this report is constituted of following Directors:

Names	Designation	Category
Mrs. Nishi Agrawal	Chairperson	Independent
Mrs. Uma Sharma	Member	Non-Executive
Mr. Udit Agarwal	Chairperson	Independent

Mr. Rajendra Yadav and Mr. Kumar Deepak, Independent Directors were holding the position of members of the Audit Committee.

DIRECTORS' REPORT *(Contd.)*

Both the Directors have tendered their resignation from the Directorship of the Company effective from April 25, 2019 and consequently they also relinquished the positions in Audit Committee also. Further, Mrs. Nishi Agrawal was appointed as an Independent Director on June 19, 2019. Audit Committee has been reconstituted by the Board of Directors of the Company on June 19, 2019 by appointment of Mr. Nishi Agrawal as a Chairperson, Mrs. Uma Sharma and Mr. Udit Agarwal as Members of the Audit Committee.

(ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company as on the date of this report is constituted of following Directors:

Names	Designation	Category
Mr. Udit Agarwal	Chairperson	Independent
Mrs. Nishi Agrawal	Member	Independent
Mrs. Uma Sharma	Member	Non-Executive

Mr. Rajendra Yadav and Mr. Kumar Deepak, Independent Directors were holding the position of members of the Nomination and Remuneration Committee. Both the Directors have tendered their resignation from the Directorship of the Company effective from April 25, 2019 and consequently they also relinquished the positions in Nomination and Remuneration Committee also. Further, Mrs. Nishi Agrawal was appointed as an Independent Director on June 19, 2019. Nomination and Remuneration Committee has been reconstituted by the Board of Directors of the Company on June 19, 2019 by appointment of Mr. Udit Agarwal as a Chairperson, Mrs. Nishi Agrawal and Mrs. Uma Sharma as Members of the Nomination and Remuneration Committee.

(iii) Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company as on the date of this report is constituted of following Directors:

Names	Designation	Category
Mr. Udit Agarwal	Chairperson	Independent
Mrs. Nishi Agrawal	Member	Independent
Mrs. Uma Sharma	Member	Non-Executive

Mr. Rajendra Yadav and Mr. Kumar Deepak, Independent Directors were holding the position of members of the Stakeholders Relationship Committee. Both the Directors have tendered their resignation from the Directorship of the Company effective from April 25, 2019 and consequently they also relinquished the positions in Stakeholders Relationship Committee also. Further, Mrs. Nishi Agrawal was appointed as an Independent Director on June 19, 2019. Stakeholders Relationship Committee has been reconstituted by the Board of Directors of the Company on June 19, 2019 by appointment of Mr. Udit Agarwal as a Chairperson, Mrs. Nishi Agrawal and Mrs. Uma Sharma as Members of the Stakeholders Relationship Committee.

BOARD EVALUATION

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, at its meeting held on 13th February, 2019 has carried out an annual performance evaluation of its own performance, the individual directors' performance including that of independent directors.

The parameters based on which the evaluation process is being carried out is fixed by the Board in terms of the provisions of Companies Act, 2013.

In a separate meeting of Independent Directors held on 29th March, 2019, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors.

DISASSOCIATION OF SUBSIDIARIES AND DISPOSAL OF STAKE IN SUBSIDIARIES

The Honourable Regional Director (ER), Ministry of Corporate Affairs vide its order dated October 31, 2018, has approved and sanctioned the Scheme of Amalgamation of Camellia Tradelink Private Limited (Transferor and Wholly Owned Subsidiary Company) with AAR Commercial Company Limited (Transferee Company. Consequent upon amalgamation, the Transferor Company ceased to

exist as a Subsidiary. Amalgamation Order of Honorable Regional Director as received were filed with the Registrar of Companies, West Bengal on November 13, 2018.

AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES

At their meeting held on 13th February, 2018, Board of Directors of the Company has approved the Scheme of Amalgamation of M/s. Camellia Tradelink Private Limited being a Wholly Owned Subsidiary (TRANSFEROR COMPANY) with AAR Commercial Company Limited (TRANSFEREE COMPANY). Hence, as per the provisions of Section 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Company has filed Scheme of Amalgamation with the Registrar of Companies, West Bengal and Office of the Official Liquidator, Calcutta High Court for their Observation on the same.

Vide its Letter bearing reference no. ROC/LEGAL/233/2018/50 dated 10.04.2018, the office of Registrar of Companies, West Bengal has issued its observation with the following suggestions:

1. ***The share capital clause of the scheme shall include the class and category of company which enters into the scheme of amalgamation i.e. holding company and its wholly owned subsidiary company.***
2. ***The Scheme shall include the clause related to providing "purchase of share held by the descending shareholders/debtors, Creditors", "cancellation or extinguish of shares on demerger", if applicable.***
3. ***This Office has scrutinised the scheme of Amalgamation for its limited internal purpose/in-principle approval for deciding on the matter of Amalgamation of the transferor and transferee companies and it should not for any reason affects the interest of public.***

Further, the Office of the Official Liquidator, High Court, Calcutta vide its letter bearing reference no. OL-Misc./Amalg/S233/62/6905/G dated 21.02.2018 has given the following suggestions:

1. ***This Office has scrutinised the scheme of Amalgamation for its limited internal purpose / in-principle approval for deciding on the matter of Amalgamation of companies and it should not for any reason affects the interest of public.***

The said suggestions were duly incorporated in the Scheme of Amalgamation.

Vide its Order dated October 31, 2018, Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Camellia Tradelink Private Limited (being a Wholly Owned Subsidiary of the Company) with the Company. Consequent upon amalgamation M/s. Camellia Tradelink Private Limited ceased to exist as a Subsidiary of AAR Commercial Company Limited. Amalgamation Order of Honorable Regional Director as received were filed with the Registrar of Companies, West Bengal on November 13, 2018.

SHIFTING OF REGISTERED OFFICE FROM KOLKATA (WEST BENGAL) TO NEW DELHI (NATIONAL CAPITAL TERRITORY OF DELHI)

Board of Directors of the Company has vide its resolution dated January 21, 2019 proposed the shifting of the Registered Office of the Company from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana). The proposal of the Board of Directors as above has been approved by the Shareholders at the Extra-ordinary General Meeting held on Monday, 25th February, 2019.

The Regional Director (ER), Ministry of Corporate Affairs vide its order dated 19th June, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. Order of the Regional Director (ER), Ministry of Corporate Affairs passed as above, has been filed in E-form INC-28 with the Registrar of Companies, West Bengal on 1st July, 2019. Further, pursuant to the provisions of Section 12(2) & (4) of the Companies Act, 2013 and Rule 25 and 27 of The Companies (Incorporation) Rules, 2014, the Company is in the process of filing E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company from 1, British India Street (Old Complex), Mezzanine Floor, Room Nos. 20, Kolkata – 700 069 (from the jurisdiction of Registrar of Companies, West Bengal) to Flat No - 22, Second Floor, Right Side, Bazar Lane, Bhogal, Jangpura, New Delhi – 110 014 (to the jurisdiction of Registrar of Companies, Delhi and Haryana).

Following are the Corporate Details of the Company after shifting of Registered Office:

Name of the Company	AAR Commercial Company Limited
New Corporate Identification Number (CIN)	*** Registered Office of the Company has been shifted from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana (from Kolkata to New Delhi). E-Form INC-22 (informing the Registrar of Companies about situation of New Registered Office) has been filed with ROC. New Corporate Identification Number has not been generated/provided yet.**
Registered Office Address	Flat No - 22, Second Floor, Right Side, Bazar Lane, Bhogal, Jangpura, New Delhi – 110 014
Contact Person for Correspondence	Anupam Khetan
Telefax No.	011-4614 3189
Email Id	investors.commercial@rediffmail.com
Website	www.aarccl.in

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, M/s R.K. Tapadia & Co., Chartered Accountants (ICAI Firm Registration No. 318166E) were appointed as Statutory Auditors at the 35th Annual General Meeting held on September 22, 2017 to hold office until the conclusion of the 40th Annual General Meeting, subject to ratification by shareholders at each Annual General Meeting.

SECRETARIAL AUDIT REPORT

Mr. Anurag Fatehpuria, Practicing Company Secretary, having office at 23/1, Sita Nath Bose Lane, Salkia, Howrah – 711 101 has been appointed as Secretarial Auditors of the Company for financial year ended 31st March, 2019. The Secretarial Audit Report received from the Secretarial Auditor is annexed to this report marked as **Annexure – D** and forms part of this report.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

Certain observations made in the Secretarial Audit Report with regard to few lapses under the Companies Act, 2013 relating to maintenance of statutory registers were mainly due to ambiguity and uncertainty of the applicability. However, the company would ensure in future that all the provisions are complied to the fullest extent.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of the business of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintain transparency in its operations & hence it complies with the Corporate Governance requirements.

The Corporate Governance Report as per Schedule V(C) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and requisite Certificate of Compliance from Statutory Auditor regarding compliance of conditions of Corporate Governance are annexed and forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report of the Company comprising of management perception, risks and concerns, internal control systems are annexed and forms part of the Annual report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their gratitude for the assistance and support extended by its bankers, business associates, stakeholders and various Government Authorities during the year under review.

Your Directors thank the esteemed shareholders for their continued support and encouragement and also appreciates the dedicated services rendered by the employees at all levels for the growth of the Company.

For and on Behalf of the Board of Directors

Anupam Khetan
Director
DIN : 07003797

Place : Kolkata
Date : 13th August, 2019

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE - A

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

1	**CIN**	L63090WB1982PLC035019*
2	**Registration Date**	28.06.1982
3	**Name of the Company**	AAR COMMERCIAL COMPANY LIMITED
4	**Category/Sub-Category of the Company**	Company limited by shares
5	**Address of the Registered office and contact details**	Flat No - 22, Second Floor, Right Side, Bazar Line, Bhogal, Jangpura, New Delhi – 110 014
6	**Whether listed company**	Listed
7	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	NICHE TECHNOLOGIES PVT. LTD. 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata- 700017 Phone No. 033-22806616/6617/6618

* Registered Office of the Company has been shifted from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana (from Kolkata to New Delhi). E-Form INC-22 (informing the Registrar of Companies about situation of New Registered Office) has been filed with ROC. New Corporate Identification Number has not been generated/provided yet.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated) :-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Trading in cotton or fabrics	51491	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

All the business activities contributing 10% or more of the total turnover of the company shall be stated :-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
	NOT APPLICABLE		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER									
1) **Indian**									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any Other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
2. Non Institutions									
a) Bodies Corp.	398063	13900	411963	4.114	201063	13900	214963	2.147	(1.967)
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1038	110250	111288	1.111	1038	21850	22888	0.229	(0.882)
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9374899	115850	9490749	94.775	9571899	204250	9776149	97.625	2.850
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2)	**9774000**	**240000**	**10014000**	**100.00**	**9774000**	**240000**	**10014000**	**100.00**	**Nil**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**9774000**	**240000**	**10014000**	**100.00**	**9774000**	**240000**	**10014000**	**100.00**	**Nil**
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	**9774000**	**240000**	**10014000**	**100.00**	**9774000**	**240000**	**10014000**	**100.00**	**Nil**

B. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
NOT APPLICABLE								

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

C. Change in Promoters' Shareholding

SN	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NOT APPLICABLE						

D. Shareholding of top ten shareholders (other than Directors, Promoters and holders of ADRs and GDRs)

SN	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Alka Agarwal**					
	a) At the beginning of the year		0	0.00	-	-
	b) Changes during the year					
	Date	Reason				
	25-05-2018	Transfer	**999000**	**9.976**	**999000**	**9.976**
	c) At the end of the year		-	-	999000	9.976
2.	**Chandni Agrawal**					
	a) At the beginning of the year		0	0.00	-	-
	b) Changes during the year					
	Date	Reason				
	10-08-2018	Transfer	**563899**	**5.631**	**563899**	**5.631**
	17-08-2018	Transfer	**197000**	**1.967**	**197000**	**1.967**
	c) At the end of the year		-	-	760899	7.598
3.	**Kamal Kumar Jain**					
	a) At the beginning of the year		500000	4.993	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	500000	4.993
4.	**Maheshkumar Gupta**					
	a) At the beginning of the year		0	0.00	-	-
	b) Changes during the year					
	Date	Reason				
	06-07-2018	Transfer	**634000**	**6.331**	**634000**	**6.331**
	20-07-2018	Transfer	**358000**	**3.575**	**992000**	**9.906**
	c) At the end of the year		-	-	992000	9.906
5.	**Manju Agarwal**					
	a) At the beginning of the year		495000	4.943	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	495000	4.943
6.	**Naresh Chandra Agarwal**					
	a) At the beginning of the year		499000	4.983	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	499000	4.983
7.	**Nidhi Jain**					
	a) At the beginning of the year		498000	4.973	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	498000	4.973

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

8.	Priyanka Gupta					
	a) At the beginning of the year		0	0.00	-	-
	b) Changes during the year					
	Date	Reason				
	08-06-2018	Transfer	**156000**	**1.558**	**156000**	**1.558**
	15-06-2018	Transfer	**466000**	**4.653**	**622000**	**6.211**
	22-06-2018	Transfer	**375000**	**3.745**	**997000**	**9.956**
	c) At the end of the year		-	-	997000	9.956
9.	**Rounak Pansari**					
	a) At the beginning of the year		496000	4.953	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	496000	4.953
10.	**Sheetal Jalan**					
	a) At the beginning of the year		499500	4.988	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	499500	4.988
11.	**Shivang Kumar Pansari**					
	a) At the beginning of the year		497000	4.963	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	497000	4.963
12.	**Sumitra Jain**					
	a) At the beginning of the year		498000	4.973	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	498000	4.973
13.	**Sushil Kumar Jalan**					
	a) At the beginning of the year		499500	4.988	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	499500	4.988
14.	**Sushila Jain**					
	a) At the beginning of the year		500000	4.993	-	-
	b) Changes during the year		**[No changes during the year]**			
	c) At the end of the year		-	-	500000	4.993
	At the end of the year		495000	4.943	495000	4.943
	TOTAL		**4982000**	**49.750**	**8730899**	**87.187**

E. Shareholding of Directors and Key Managerial Personnel :

SN	Shareholding of each Directors and each Key Managerial Personnel		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Anupam Khetan**					
	a) At the beginning of the year		360000	3.595	-	-
	b) Changes during the year					
	Date	Reason				
	06-07-2018	Transfer	**-360000**	**3.595**	**0**	**0.000**
	c) At the end of the year				0	0.000

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment : NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration Name of Whole-time Director: Mr. Anupam Khetan	Total Amount (Rs. in lacs)
1.	**Gross Salary** a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2)Income-tax Act, 1961 c) Profits in lieu of salary under section17(3)Income-tax Act, 1961	 1.18 – –
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission - as% of profit	–
5.	Others, please specify	–
	Total	**1.18**
	Ceiling as per the Act: 10% of the profits calculated under section 198 of the Companies Act, 2013	

B. Remuneration to other directors :

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs. in lacs)
1	**Independent Directors**				
		Mr. Udit Agarwal	**Mr. Kumar Deepak**	**Mr. Rajendra Yadav**	
	Fee for attending board committee meetings	0.08	0.08	0.08	0.24
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	**0.08**	**0.08**	**0.09**	**0.24**
2	**Other Non-Executive Directors**				
		Mrs. Uma Sharma			**Total Amount (Rs. in lacs)**
	Fee for attending board committee meetings	0.02			0.02
	Commission	-			-
	Others	-			-
	Total (2)	**0.02**			**0.02**
	Ceiling as per the Act	1% of the profits calculated under section 198 of the Companies Act, 2013.			

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD :

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total Amount (Rs. in lacs)
		Mr. Arvind Kumar Modi	Mr. Avijit Das	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.64	2.20	4.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission as % of profit	--	--	--
5	Others	--	--	--
	Total	**2.64**	**2.20**	**4.84**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

ANNEXURE - B

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and qualifications

i. The Nomination & Remuneration Committee (NRC) will have the responsibility and authority to decide the essential and desirable skills/competencies/expertise/ experience/ criteria of independence required from the individuals for the office of Directors, KMP & SMP.

ii. The expertise required from the Directors, KMP and SMP would be defined based on the Company's strategy and needs.

iii. The NRC shall review the criteria for the role and define the role specifications for the appointment.

iv. In case of Directors and KMP, in addition to the above specifications the NRC shall ensure that the candidate possesses the requisite qualifications and attributes as per the Applicable Laws.

v. The appointment of Directors and KMP shall be subject to the compliance of the applicable laws and the Articles of Association of the Company.

vi. The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 75 (seventy five) years. Provided that the appointment of such a person who has attained the age of 75 (seventy five) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 75 (seventy five) years.

2. Term

Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re- appointment shall be made earlier than 1 (one) year before the expiry of term.

3. Independent Director

i. An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

ii. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii. At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

4. Board Evaluation

The Board is committed to assessing the performance of the Board in order to identify its strengths and areas in which it may improve its functioning. Towards this end, the NRC shall establish the criteria and processes for evaluation of performance of Individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board and recommend the same to the Board. The evaluation of the Independent Directors shall also include evaluation of the fulfilment of the independence criteria as specified under the applicable laws and their independence from the Management.

The Board is responsible for:

i. monitoring and reviewing of the Board Evaluation framework;

ii. carrying out evaluation of the performance of the Board, its Committees and individual directors, wherein the director subject to evaluation shall not participate; and

iii. evaluating the fulfilment of independence criteria of the Independent Directors as per the applicable laws and review their independence from the management.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management. Such meeting shall:

i. review the performance of Non-independent Directors and the Board as a whole;

ii. review the performance of the Chairperson of the Company, taking into account the views of Executive Director(s) and Non-executive Directors;

iii. 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.

iv. discuss such other matters as the Independent Directors may deem fit;

5. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable law, rules and regulations, thereunder, the Committee may recommend, to the Board with reasons to be recorded in writing, removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, such other applicable law, rules and regulations.

6. Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management

i. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.

ii. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.

iii. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

8. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management

i. Fixed Pay

ii. The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund (P.F.), Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

iii. Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iv. Provisions for excess remuneration: If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

ANNEXURE - C

WHISTLE BLOWER POLICY

COVERAGE

The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- Abuse of authority
- Breach of contract
- Leakage of Unpublished Price Sensitive Information
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or Misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Pilferation of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
- Breach of Company Policy or failure to implement or comply with any approved Company Policy

WHISTLE BLOWER PROTECTION & CONFIDENTIALITY

a. **Confidentiality:** Every effort will be made within parameters of legal constraints to protect the Complainant's identity.

b. **Ownership of Complaint:** Complainant(s) will be obliged to put their names to their complaints and allegations made therein as investigation may not be possible unless the source of the information is identified. Anonymous/pseudo anonymous or frivolous complaint, if not supported by the relevant evidence may not be investigated under this policy.

c. **Malicious Allegations:** Complaint or Allegations by any Complainant arising from malicious intent may result in disciplinary/ penal action against such complainant, without prejudice to other legal remedies.

d. **Harassment or Victimization:** Harassment or victimization of the Complainant raising a genuine concern by any employee of the Company may constitute sufficient grounds for action under Discipline and Appeal Rules (DAR) against such errant employee involved in harassment or victimization of the complainant.

e. **Complaint made in Good Faith:** If one raises a concern under this Policy, complainant will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance in any manner. Company's employee will not be at the risk of losing his / her job or suffer loss in any other manner like transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his/her duties/functions including making further complaint, as a result of reporting under this Policy. The protection is available provided that: (a) the communication/ disclosure is made in good faith, (b) he/ she reasonably believes that information, and any allegations contained in it, are substantially true and (c) he/ she is not acting for personal gain.

   However, no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

f. Any other Employee/business associate assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

PROCEDURE

Mr. Arvind Kumar Modi, Company Secretary and Compliance Officer of the Company, has been appointed as the "Vigilance Officer", who can be contacted in writing at the Registered Office of the Company or on telephone at 033 46003498 or on email at investors.commercial@rediffmail.com

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

He shall be responsible for the following functions:

1. To receive and record any complaints under this policy.
2. To ensure confidentiality of any "Whistle Blowing" complainant who requests that his/her complaint be treated in confidence.
3. To prepare a report of any whistle blowing complaint and send the report promptly to the Audit Committee Members. A copy of the report shall be simultaneously sent to the Managing Director and/or Executive Director for investigation. The Managing Director / Executive Director, after investigation, shall place a report to the Audit Committee for discussion and decision. The Audit Committee Members shall then discuss the same and take necessary action.
4. The Vigilance Officer shall communicate the Audit Committee's decision to the complainant for his/her information.

REVISION OF POLICY

Management reserves the right to revise this policy at any time and in any manner without notice. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company. Any change or revision will be communicated appropriately.

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

ANNEXURE - D

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
AAR Commercial Company Limited
1, British India Street (Old Complex)
Mezzanine Floor, Room No. 20
Kolkata – 700 069

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AAR Commercial Company Limited, hereinafter called the company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

2. Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

   We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2019 according to the provisions of:

   i. The Companies Act, 2013 (the Act) and the rules made thereunder;

   ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

   iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

   iv. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

      a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

      b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - Not Applicable as the Company did not issue any security during the financial year under review.

      d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not Applicable as the Company does not have Employee Stock Option Scheme for its employees

      e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable as the Company has not issued any debt securities during the financial year under review

      f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

      g) The Securities and Exchange Board of India (Delisting of Equity Shares) 2009; - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review

      h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review

      i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   v. Other laws applicable to the company as per the representations made by the management.

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India.

b. The Listing Agreement entered into by the Company with Stock Exchange(s)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to few lapses under the Companies Act, 2013 relating to investments held by the company, maintenance of statutory registers.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:-

1. The Company held an Extra-Ordinary General Meeting for the shareholders of the Company on 25th June, 2018 to approve the Scheme of amalgamation of its Wholly Owned Subsidiary Company viz. M/s Camellia Tradelink Private Limited. Vide its Order dated October 31, 2018, Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Camellia Tradelink Private Limited with the Company. Since the entire shareholding of this Wholly Owned Subsidiary was held by the Company, no shares were allotted. Hence there was no impact on the total issued and paid up share capital. However, pursuant to the Scheme of Amalgamation as approved by the Central Government (Regional Director- ER) the Authorised Share Capital of the Wholly Owned Subsidiary Company clubbed/merged with the Authorised Share Capital of the Company. Hence, post Merger the Authorised Share Capital of the Company stood at Rs. 12,45,00,000/-

2. Board of Directors of the Company has vide its resolution dated January 21, 2019 proposed the shifting of the Registered Office of the Company from Kolkata to New Delhi (from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana). The proposal of the Board of Directors as above has been approved by the Shareholders at the Extra-ordinary General Meeting held on Monday, 25th February, 2019.

The Regional Director (ER), Ministry of Corporate Affairs vide its order dated 19th June, 2019 approved shifting of Registered Office from the state of West Bengal to the National Capital Territory of Delhi. Order of the Regional Director (ER), Ministry of Corporate Affairs passed as above, has been filed in E-form INC-28 with the Registrar of Companies, West Bengal on 1st July, 2019. The Company is in the process of filing E-Form INC-22 with the Registrar of Companies, West Bengal, intimating the shifting of the Registered Office of the Company.

We further report that our Audit is subjected only to verifying adequacy of systems and procedures that are in place for ensuring proper compliance by the Company and we are not responsible for any lapses in those compliances on the part of the Company.

Anurag Fatehpuria
Company Secretary
ACS No. 34471
C P No. 12855

Place : Kolkata
Date : 13th August, 2019

This Report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE TO THE DIRECTORS' REPORT *(Contd.)*

Annexure A

To,
The Members
AAR Commercial Company Limited
1, British India Street (Old Complex)
Mezzanine Floor, Room No. 20
Kolkata – 700 069

Our report of even date is to be read along with this testimony.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibilityis to express an opinion on these secretarial records based on my audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance aboutthe correctness of the contents of the Secretarial records. The verification was done on test basis to ensure thatcorrect facts are reflected in Secretarial records. We believe that the process and practices, we followed providea reasonable basis for my opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of theCompany.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rulesand regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is theresponsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacyor effectiveness with which the management has conducted the affairs of the Company.

We further report that the Compliance by the Company of applicable Financial Laws like Direct & Indirect Tax Laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.

Anurag Fatehpuria
Company Secretary
ACS No. 34471
C P No. 12855

Place : Kolkata
Date : 13th August, 2019

CORPORATE GOVERNANCE REPORT

Pursuant to Schedule V(c) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('The Regulations")

1. COMPANY S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company is committed to good corporate governance which enjoins the highest standard of ethical and responsible conduct of business to create value for all stake holders. The philosophy of your Company is to enhance the long-term economic value of the Company, its stakeholders and the society at large by adopting better corporate practices which not only ensures that the Company operates within the regulatory framework but also strive to achieve more transparency in management and institutional soundness. The Company's philosophy on Corporate Governance is based on the following principles:

- Lay solid foundations for management.
- Promote ethical and responsible decision-making.
- Structure the Board to add value.
- Encourage enhanced performance.
- Safeguard integrity in financial reporting.
- Respect the right of the shareholders.
- Recognise the legitimate interest of shareholders.
- Remunerate fairly and responsibly.
- Recognise and manage business risks.
- Make timely and balanced disclosures.
- Legal and statutory compliances in its true spirit

Your Company is following transparent and fair practices of good Corporate Governance and its constant endeavor is to continually improve upon those practices. The Company recognizes communication as key element in the overall Corporate Governance framework and therefore, emphasizes on keeping abreast its stakeholders including investors, lenders, vendors and customers on continuous basis by effective and relevant communication through Annual Reports, quarterly results, corporate announcements and reflecting the same on the Company's official website i.e. www.aarccl.in

The Company has complied with the principles and practices of good Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter called "the Listing Regulations".

2. BOARD OF DIRECTORS

The Board of directors of your Company as on March 31, 2019 consists of Five (5) members, the Chairman of the Board is an Executive Director and half of the strength of the Board consists of Non-Executive Independent Directors. All Non-Executive Independent Directors bring a wide range of expertise and experience to the Board. The Board believes that the current size of the Board is appropriate based on the Company's present requirements. There is no Nominee Director in the Company.

2.1 Board's definition of Independent Director

Independent Director means a non-executive director, other than a nominee director of the listed entity:

(i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

(ii) who, is or was not a promoter of the listed entity or its holding, subsidiary or associate company;

(iii) who, is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

(iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(v) none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(vi) who, neither himself, nor whose relative(s) —

CORPORATE GOVERNANCE REPORT *(Contd.)*

(A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or

(2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(vii) who is not less than 21 years of age.

The Board of Directors of the Company has decided that the materiality/significance shall be ascertained on the following basis:

- The concept of 'materiality' is relevant from the total revenue inflow and/or outflow from and/or to a particular individual/body, directly or indirectly, during a particular financial year.
- The term 'material' needs to be defined in percentage. One percent (1 per cent) or more of total turnover of the Company, as per latest audited annual financial statement.

It has been confirmed by all the Independent Directors of the Company that as on the date, they fulfill the criteria of being "Independent Director" as stipulated in Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

2.2 Other Directorship and Committee Membership

The following Table gives Composition of the Board, Attendance record of the Directors at the Board Meetings and at the last Annual General Meeting (AGM); Number of their outside Directorships and their Memberships/Chairmanships in Board Committees.

Name of Director	Category	No. of other Directorship held[1]	No. of Board Committees of which Member/ Chairman		Board Meetings held during the FY 2018-19		Attendance at the last AGM
			Member	Chairman	Held	Attended	
Anupam Khetan DIN: 07003797	Executive Director	Nil	Nil	Nil	9	9	Yes
Uma Sharma DIN: 06862354	Non-Executive Director	Nil	Nil	Nil	9	4	No
Rajendra Yadav[2] DIN: 06980909	Non-Executive Independent Director	Nil	Nil	Nil	9	7	Yes
Udit Agarwal DIN: 07036864	Non-Executive Independent Director	Nil	Nil	Nil	9	8	Yes
Kumar Deepak[3] DIN: 07052877	Non-Executive Independent Director	Nil	Nil	Nil	9	9	No

CORPORATE GOVERNANCE REPORT *(Contd.)*

Notes:

1. This number excludes the directorships/ committee memberships held in private limited companies, foreign companies, companies registered under section 8 of the Companies Act, 2013 and that of the company. It includes Membership/ Chairmanship of Audit Committee and Stakeholders' Relationship Committee only.
2. Mr. Rajendra Yadav, Non-Executive Independent Director tendered his resignation from Directorship of the Company w.e.f. 25.04.2019
3. Mr. Kumar Deepak, Non-Executive Independent Director tendered his resignation from Directorship of the Company w.e.f. 25.04.2019

In terms of Regulation 25(1) of the Regulations, none of the Independent Director of the Company holds the position of the Independent Director in more than 7 (Seven) listed Companies, including Independent Directorship in AAR Commercial Company Limited and any such Director serving as a whole time Director in a listed Company is not serving as an Independent Director in more than 3 (Three) listed Companies including AAR Commercial Company Limited.

No Non-Executive Director is related to any other Director inter-se and has any material pecuniary relationships/ transactions vis-à-vis the Company other than the sitting fees for attending the Board/Committee meetings.

In terms of Regulation 25(7) of the Regulations, the Company has adopted a familiarization programme for the Directors that covers familiarizing the Directors about the nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities, and other relevant details. The details of familiarization programme are available on the official website of the Company i.e. www.aarccl.in under the link i.e http://www.aarccl.in/images/pdf-reports/other-corporate announcements/aar_comm_familarisation_programme_of_independent_directors.pdf

Information about the Directors proposed to be appointed/re-appointed which are required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished under 'Notes' attached to the Notice of the 37th Annual General Meeting of the Shareholders of the Company.

2.3 Board Meetings

During the financial year 2018-19, Nine Board Meetings were held on the following dates:-

14th May, 2018, 30th May, 2018; 20th July, 2018; 14th August, 2018; 3rd November, 2018; 14th November, 2018; 21st December, 2018; 21st January, 2019; 13th February, 2019.

2.4 Changes during the Year

During the financial year 2018-19, none of the Directors of the Company resigned from the Board of the Company. However, Mr. Rajendra Yadav (DIN: 06980909) and Mr. Kumar Deepak (DIN: 07052877), Non-Executive Independent Directors of the Company tendered their resignation from the Directorship of the Company with effect from April 25, 2019 and they also confirmed that there was no other material reasons other than those stated in their resignation letters. Mrs. Nishi Agrawal (DIN: 08441260) was appointed as Additional Independent Directors on the Board of the Company effective from June 19, 2019.

2.5. Re-appointment of Directors Proposed at upcoming AGM:

In terms Section 152 of the Companies Act, 2013, Mrs. Uma Sharma (DIN: 06862354), Director of the Company is liable to retire by rotation and is eligible for re-appointment at the forthcoming Annual General Meeting.

Section 149(10) of the Companies Act, 2013 provides that an Independent Director shall hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment for Second Term of 5 (Five) consecutive years on passing a Special Resolution by the Company and disclosure of such appointment in its Boards' Report. Section 149 (11) provides that an Independent Director may hold office for up to 2 (Two) consecutive terms. Tenure of Mr. Udit Agarwal as an Independent Director will end on December 5, 2019 and Board of Directors, in accordance with the recommendation of the Nomination and Remuneration Committee, has proposed his reappointment at the forthcoming 37th Annual General Meeting for a Second Term of 5 (Five) years through Special Resolution.

CORPORATE GOVERNANCE REPORT *(Contd.)*

Brief resume, nature of expertise in specific functional areas, Directorships and Membership of the Board Committees of the proposed appointee / reappointee are given in the Explanatory Statement attached to the Notice of 37th AGM of the Company.

2.6 Information supplied to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes the following, extent to the applicability during the year as per the Regulations.

- Annual Operating Plans and Budgets and any updates.
- Capital budgets and any updates.
- Quarterly, Half Yearly and Yearly Results of the Company.
- Minutes of the Meetings of Audit Committee and other Committees of the Board.
- The information on recruitment of Senior Officers just below the Board level.

The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company along with the declaration made by all the respective departmental heads and by the Chairman and Managing Director regarding compliance with all applicable laws.

2.7 Chart/matrix setting out the skills/expertise/competence of the Board of Directors

Pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof, below are the list of core skills/expertise/competencies identified by the Board of Directors for the year under review as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board:

S.N.	Category	Core skills/expertise/competencies identified by the Board of Directors	Available with the Board
1.	Understanding of Business/Industry	Experience and knowledge of Cotton, Fabrics, Logistics and trading in shares.	Yes
2.	Financial	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.	Yes
3.	Critical and innovative thoughts	The ability to critically analyse the information and develop innovative approaches and solutions.	Yes
4.	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.	Yes
5.	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies.	Yes
6.	Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks.	Yes

2.8 Separate Meeting of Independent Directors and Performance Evaluation

During the financial year 2018-19, as per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of the SEBI Listing Regulations, 1 (One) separate meeting of Independent Directors was held on 29th March, 2019 whereby, all the Independent Directors were present and without the presence of the Non-Independent Directors and the members of the management of the Company.

This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors and for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board.

CORPORATE GOVERNANCE REPORT *(Contd.)*

The Independent Directors in their separate meeting:

i. reviewed the performance of non-independent Directors and the Board as a whole;

ii. reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

iii. assessed 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.

In terms of Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors in its meeting held on 13th February, 2018 evaluated the performance of Independent Directors in terms of criteria of performance evaluation as laid down by Nomination and Remuneration Committee which covers the area relevant to their role as Independent Director in the Company.

3. COMMITTEES OF THE BOARD

The Board of Directors of the Company being at the fiduciary position have crucial role in the governance structure of the Company and the Board has constituted various Committees to deal with specific areas/ activities which need a closer review or which are operational or routine matters. In order to perform the duties in true spirit and in the interest of the Company and its stakeholders in efficient and timely manner, the Board has delegated its powers to various committees.

The Committees of the Board of Directors are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice.

Your Company has three Board level committees:

a) Audit Committee

b) Nomination & Remuneration Committee

c) Stakeholders' Relationship Committee

A. AUDIT COMMITTEE

Constitution and Composition

As on the 31st March, 2019 the "Audit Committee" comprised of the following three (3) Non-Executive and Independent Directors, who have financial/accounting acumen to specifically look into internal controls and audit procedures. All the members are financially literate and have accounting and financial management expertise. The members of the Audit Committee were Mr. Rajendra Yadav (Chairman), Mr. Udit Agarwal, Mr. Kumar Deepak. On 25th April, 2019 Mr. Rajendra Yadav and Mr. Kumar Deepak resigned from the Board of the Company. Mrs. Nishi Agrawal was appointed as an Additional Independent Director on 19th June, 2019. The Audit Committee was also reconstituted on 19th June, 2019 by introduction of Mrs. Uma Sharma, Non-Executive Director as a Member and appointment of Mrs. Nishi Agrawal as a Chairperson.

Mr. Arvind Kumar Modi (CS and Compliance Officer) acts as the Secretary to the Audit Committee.

Audit Committee Meetings

During the year, Six (6) meetings of the Audit Committee were held on the following dates:

14th May, 2018, 30th May, 2018; 14th August, 2018; 14th November, 2018; 21st January, 2019; 13th February, 2019.

The following table gives the composition of the Audit Committee and the attendance record of members of the Committee:

Sl. No.	Name of Member	Designation	No. of Meetings Attended
1.	Mr. Rajendra Yadav*	Chairman	6
2.	Mr. Udit Agarwal	Member	6
3.	Mr. Kumar Deepak*	Member	6

* Mr. Rajendra Yadav and Mr. Kumar Deepak resigned on 25th April, 2019.

CORPORATE GOVERNANCE REPORT *(Contd.)*

In addition to the Members of the Audit Committee, the Statutory Auditors attended the meetings of the Committee as invitees. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half-yearly and year to date un-audited and annual audited financials of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed the internal control systems of the company.

Powers of Audit Committee

The Audit Committee has been empowered with the adequate powers as mandated in Regulation 18 of The Regulations, which includes the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee includes the following:

(1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

(2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.

(3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

(4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.

   b. Changes, if any, in accounting policies and practices and reasons for the same.

   c. Major accounting entries involving estimates based on the exercise of judgment by management.

   d. Significant adjustments made in the financial statements arising out of audit findings.

   e. Compliance with listing and other legal requirements relating to financial statements.

   f. Disclosure of any Related Party Transactions.

   g. modified opinion(s) in the Draft Audit Report.

(5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

(7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(8) approval or any subsequent modification of transactions of the listed entity with related parties;

(9) scrutiny of inter-corporate loans and investments;

(10) valuation of undertakings or assets of the listed entity, wherever it is necessary;

(11) evaluation of internal financial controls and risk management systems;

(12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

CORPORATE GOVERNANCE REPORT *(Contd.)*

(13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(14) discussion with internal auditors of any significant findings and follow up there on;

(15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(18) to review the functioning of the whistle blower mechanism;

(19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

(21) The Audit Committee of the Board shall review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

B. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the "Stakeholders Relationship Committee" has been constituted to look into the Shareholders'/Investors' grievances i.e. Non-receipt of Annual Reports, Dividend payments, other miscellaneous complaints and redressal of the same. The said Committee is also authorised to effect transfers/transmissions of Equity Shares/Debentures and other securities and also to issue Duplicate Share Certificates and other securities and matters related or incidental thereto.

Composition

As on 31st March, 2019 the members of the Stakeholders Relationship Committee were Mr. Udit Agarwal (Chairman), Mr. Rajendra Yadav and Mr. Kumar Deepak. On 25th April, 2019 Mr. Rajendra Yadav and Mr. Kumar Deepak resigned from the Board of the Company. Mrs. Nishi Agrawal was appointed as an Additional Independent Director on 19th June, 2019. The Stakeholders Relationship Committee was also reconstituted on 19th June, 2019 by introduction of Mr. Udit Agarwal as a Chairman of the Committee, Mrs. Uma Sharma, Non-Executive Director as a Member and appointment of Mrs. Nishi Agrawal as a member.

Mr. Arvind Kumar Modi (CS and Compliance Officer) acts as the Secretary to the Stakeholders Relationship Committee.

Stakeholders Relationship Committee Meetings

During the year, Five (5) meetings of the Shareholders'/Investors' Grievance Committee were held on the following dates:

14th May, 2018; 14th August, 2018; 14th November, 2018; 21st January, 2019; 13th February, 2019.

The following table gives the composition of the Stakeholders Relationship Committee and the attendance record of Members of the Committee:

Sl. No.	Name of Member	Designation	No. of Meetings Attended
1.	Mr. Udit Agarwal*	Chairman	5
2.	Mr. Rajendra Yadav	Member	5
3.	Mr. Kumar Deepak*	Member	5

* Mr. Rajendra Yadav and Mr. Kumar Deepak resigned on 25th April, 2019.

CORPORATE GOVERNANCE REPORT *(Contd.)*

Status of Investor Complaints:

Number of complaints received during financial year 2018-19 - Nil

Number of complaints resolved to the satisfaction of stakeholders during year 2018-19 – N.A.

Number of pending complaints as on 31st March, 2019 – Nil

Cases of non-acceptance by the Board of Directors, of any recommendation of the Stakeholders Relationship Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

As required under Regulation 40(10) of the Listing Regulations entered into by AAR Commercial Company Limited with stock exchanges, a certificate is obtained every six months from a practicing Company Secretary that all transfers have been completed within the stipulated time. The certificates are forwarded to Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited.

C. NOMINATION AND REMUNERATION COMMITTEE

In accordance with provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Board was constituted to oversee the Company's nomination process for the senior management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Policy, merit and Company's performance.

Composition

As on 31st March, 2019 the members of the Nomination and Remuneration Committee were Mr. Rajendra Yadav (Chairman), Mr. Udit Agarwal and Mr. Kumar Deepak. On 25th April, 2019 Mr. Rajendra Yadav and Mr. Kumar Deepak resigned from the Board of the Company. Mrs. Nishi Agrawal was appointed as an Additional Independent Director on 19th June, 2019. The Nomination and Remuneration Committee was also reconstituted on 19th June, 2019 by introduction of Mr. Udit Agarwal as a Chairman of the Committee, Mrs. Uma Sharma, Non-Executive Director as a Member and appointment of Mrs. Nishi Agrawal as a member.

Mr. Arvind Kumar Modi (CS and Compliance Officer) acts as the Secretary to the Nomination and Remuneration Committee.

Nomination and Remuneration Committee Meetings

During the year only one Nomination and Remuneration Committee meeting was held. The following table gives the composition of the Nomination and Remuneration Committee and the attendance record of members of the Committee as shown in the table below:

Sl. No.	Name of Member	Designation	No. of Meetings Attended
1.	Mr. Rajendra Yadav	Chairman	1
2.	Mr. Udit Agarwal	Member	1
3.	Mr. Kumar Deepak	Member	1

* Mr. Rajendra Yadav and Mr. Kumar Deepak resigned on 25th April, 2019.

Cases of non-acceptance by the Board of Directors, of any recommendation of the Nomination and Remuneration Committee during the year under review, pursuant to Schedule V, Part C of SEBI LODR Regulations 2015 read with Amendments thereof: NIL

Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

4. CODE OF CONDUCT

Details of the Code of Conduct for Board of Directors and senior management of the Company is available on the Company's

CORPORATE GOVERNANCE REPORT *(Contd.)*

website www.aarccl.in

Annual declaration signed by the Managing Director/Whole-time Director of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to the Annual Report.

5. REMUNERATION OF DIRECTORS

(a) Disclosures on remuneration and shareholding of directors:-

NAME OF MEMBER	FIXED COMPONENT (Rs. in lacs)		PERFORMANCE LINKED INCENTIVES	SHARES HELD
1. **Anupam Khetan** (Executive Whole-time Director)	Basic	1.18	NIL	360000 3.56 %
	Allowances	Nil		
	Commission	Nil		
	Other Benefits	Nil		
	TOTAL	1.18		

(b) Terms of Service Contract

There is a notice period of 1 (one) month for severance from the services of the Company but there is no severance fee in respect of any of the above directors of the company.

(c) Stock Option Details: The Company does not have any Stock Option Scheme.

(d) Criteria of making payments to Non-Executive Directors:- Non-Executive Directors of the Company are paid sitting fees for attending board meetings, committee meetings as held from time to time. Except this no monetary/other benefits are given to non-executive directors of the Company. Details of fees paid to non-executive directors are given in MGT-9 as annexure to the board's report.

(e) Shareholding of Non-Executive Directors

SL. NO.	NAME OF MEMBERS	SHARES HELD	% OF HOLDING
1.	Uma Sharma	Nil	Nil
2.	Rajendra Yadav	Nil	Nil
3.	Udit Agarwal	Nil	Nil
4.	Kumar Deepak	Nil	Nil

6. SUBSIDIARY COMPANIES

During the year Company has approved Scheme of Amalgamation of M/s. Camellia Tradelink Private Limited, a Wholly Owned Subsidiary of the Company.

Vide its Order dated October 31, 2018 Central Government (Regional Director-ER) has approved the Scheme of Amalgamation of M/s. Camellia Tradelink Private Limited (being a Wholly Owned Subsidiaries of the Company) with the Company. Consequent upon amalgamation of M/s. Camellia Tradelink Private Limited ceased to exist as a Subsidiary. Amalgamation Order of Honorable Regional Director has been received on October 31, 2018 and the same were filed with the Registrar of Companies, West Bengal on November 13, 2018. At the end of the Financial Year on March 31, 2019, Company has no Subsidiary Company.

Your Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any material unlisted subsidiary.

Subsidiary companies of the Company were managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary company, inter alia, by the following means:

(i) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.

CORPORATE GOVERNANCE REPORT *(Contd.)*

(ii) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.

(iii) All significant transactions and arrangements entered into by the subsidiary company are reviewed on regular basis.

The Company does not have any material non-listed Indian Subsidiary Company. The Policy on Material Subsidiaries can be accessed on the Company's website www.aarccl.in

7. GENERAL BODY MEETING

Annual General Meetings

The Details of Last Three Annual General Meeting are as follows:

Financial Year	Date	Time	Locations	Details of Special Resolutions passed and postal ballot conducted during the year.
2017-18	24.09.2018	11:00 A.M.	Registered office	To re-appoint Mr. Rajendra Yadav (DIN: 06980909) as an Independent Director for Second Term. No postal ballot was conducted during the F.Y 2017-18.
2016-17	22.09.2017	10:30 A.M.	Registered office	No Special resolution passed at the AGM and no postal ballot was conducted during the F.Y 2016-17.
2015-16	28.09.2016	10:30 A.M.	Registered office	No Special resolution passed at the AGM and no postal ballot was conducted during the F.Y 2015-16.

Extra-ordinary General Meetings

Details of Extra-ordinary General Meeting held during the Financial Year 2018-19 are as under:

Date	Time	Venue	Business	Type of Resolution
25.06.2018	12:30 P.M.	Registered Office	**Item No.1** Resolution(s) in terms of Section 233 of Companies Act, 2013 thereby according consent to the Scheme of Amalgamation of Camellia Tradelink Private Limited and AAR Commercial Company Limited	Specified Majority
25.02.2019	11:30 A.M.	Registered Office	**Item No. 1.** Shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory of Delhi (NCT of Delhi). **Item No. 2:** Alteration in the Memorandum of Association of the Company with regard to change in Situation of the Registered Office Clause.	Special Resolution Special Resolution

Postal Ballot

There are no special resolutions passed during F.Y. 2018-19 through postal ballot and no special resolution is proposed to be conducted through postal ballot.

Court Convened Meeting of Shareholders

During the year no Court Convened Meeting were convened and held.

8. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the Listing Regulations, the Company has maintained a functional website at www.aarccl.in containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

Information like quarterly / half yearly / annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members. In

CORPORATE GOVERNANCE REPORT *(Contd.)*

terms of Regulation 47 of the Listing Regulations the quarterly / half-yearly / annual financial results are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at www.aarccl.in

The Company publishes the Quarterly, Half Yearly and Annual Financial Results in Business Standard in English and Sukhabar in Vernacular language and also posts the results in the Company's website i.e. www.aarccl.in

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

The forthcoming AGM of the Company shall be held at 11:30 A. M. on Monday, the 30th Day of September 2019 at registered office of the company at Flat No - 22, Second Floor, Right Side, Bazar Lane, Bhogal, Jangpura, New Delhi – 110 014

Financial Year

Financial year of the Company commences on April 1 and ends on March 31. The four Quarters of the Company ends on June 30; September 30; December 31 and March 31 respectively.

Date of Book Closure

24th September, 2019 to 30th September, 2019 (Both Days inclusive). No dividend is proposed by board of directors for payment.

Cut-off date for determining the names of shareholders eligible to vote

Monday, 23rd September, 2019

Cut-off date for determining the names of shareholders eligible to get Notice of Annual General Meeting

Friday, 23rd August, 2019

Listed on Stock Exchanges

The Shares of the Company are listed on the following Stock Exchanges:

1. Bombay Stock Exchange Limited (BSE), Scrip Code: 539632
   P J Towers, Dalal Street, Mumbai- 400001
   Phones : (022) 22721233/4, 91-22-66545695
   Fax : (022) 22721919

2. Calcutta Stock Exchange Limited (CSE), Scrip Code: 11145
   7, Lyons Range, Kolkata – 700 001, West Bengal
   Phone: 033-40253076

The Annual Listing Fees for the year 2019-20 has been paid in advance to the aforesaid Stock Exchanges.

Market Price Data:

Equity Shares of the company were listed on BSE Limited with effect from 5th February, 2016. Since no trading of shares being done on BSE Limited and Calcutta Stock Exchange during the financial year therefore we are unable to present any market price data and graphical comparison of movement of closing share prices of the company with BSE Sensex.

Registrar & Transfer Agent

Niche Technologies (P) Ltd is the Registrar and Transfer agent for handling both the share registry work relating to shares held in physical and electronic form at single point. The Share Transfers were duly registered and returned in the normal course within stipulated period, if the documents were clear in all respects.

CORPORATE GOVERNANCE REPORT *(Contd.)*

The Shareholders are therefore advised to send all their correspondences directly to the Registrar and Transfer Agent of the Company at the below mentioned address:

Niche Technologies (P) Ltd
7th Floor, Room, No. 7A & 7B,
3A, Auckland Road,
Kolkata - – 700017
West Bengal
Ph: (033) 2280 6616 / 17 / 18
Email id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

However, for the convenience of Shareholders, correspondences relating to Shares received by the Company are forwarded to the Registrar and Transfer Agent for action thereon.

Share Transfer System

Presently, the share transfers in physical form are processed and the share certificates returned within a period of 15 days from the date of receipt of the document, subject to the documents being clear in all respects. The Board has delegated the authority for approving the transfers to the RTA subject to approval by Shareholders'/Investors' Grievance Committee. Shareholders Grievances and other miscellaneous correspondence on change of address, mandates etc., received from members are generally processed by RTA of the company within 15 days. The Shareholders'/Investors' Grievance Committee considers the transfer proposal as and when required depending upon the requirements.

Shareholding pattern of the Company as per category of shareholders as on March 31, 2019:

Category	No. of Shares	Percentage (%)
Promoter & Promoter Group	Nil	Nil
Public Shareholding	10014000	100.00 %
Others	Nil	Nil

Distribution of Shareholding as on March 31, 2019 :

Sl. No.	No. of Shares	No. of Holders	% to Total	Total Shares	% to Total
1.	1 - 500	457	93.6475	23,051	0.2302
2.	501 - 1,000	10	2.0492	9,300	0.0929
3.	1,001 - 5,000	4	0.8197	6,500	0.0649
4.	5,001 - 10,000	0	0.000	0	0.0000
5.	10,001 - 50,000	0	0.000	0	0.0000
6.	50,001 - 1,00,000	0	0.000	0	0.0000
7.	1,00,001 - And Above	17	3.4836	99,75,149	99.6120
	Total	**488**	**100.00**	**1,00,14,000**	**100.0000**

Share Dematerialisation System:

The requests for dematerialisation of shares are processed by Registrar & Transfer Agent (RTA) expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

Dematerialization of Shares and Liquidity:

The Company's Equity Shares are compulsorily traded in the Stock Exchanges in the dematerialized mode and are available for trading under both the Depository Systems in India i.e. National Securities Depository Limited and Central Depository Services (India) Limited.

CORPORATE GOVERNANCE REPORT *(Contd.)*

Demat / Physical Form as on March 31, 2019	No. of Shares	Percentage
Physical	240000	2.397
Demat	9774000	97.603

As on March 31, 2019 a total of 9774000 equity shares of the Company of Rs 10/- each, which form 97.603 % of the paid up Equity Share Capital, stand dematerialized.

Outstanding ADRs/GDRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

Addresses for Correspondence:
For Share transfer/demat/remat of shares or any other query relating to shares: -
Niche Technologies (P) Ltd
7th Floor, Room, No. 7A & 7B,
3A, Auckland Road,
Kolkata - – 700017
West Bengal
Ph: (033) 2280 6616 / 17 / 18
Email id: nichetechpl@nichetechpl.com
Website: www.nichetechpl.com

For Investor Assistance:

Mr. Arvind Kumar Modi, Company Secretary & Compliance Officer

Flat No - 22, Second Floor, Right Side, Bazar Lane, Bhogal, Jangpura, New Delhi – 110 014

Email for investors:

The Company has designated investors.commercial@rediffmail.com as email address especially for investors' grievances.

Depositories:

National Securities Depository Limited

Trade World, 'A' Wing, 4th & 5th Floors,

Kamala Mills Compound,

Lower Parel, Mumbai – 400 013

Tel. No.: (022) 2499 4200

Fax No.: (022) 2497 6351

Email: info@nsdl.co.in

Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th floor,
N M Joshi Marg, Lower Parel,
Mumbai – 400 013
Toll free No.: 1800-22-5533
Email: complaints@cdsllndia.com
Website: www.cdslindia.com

SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company has supported SCORES by using it as a platform for communication between SEBI and the Company.

Nomination facility:

The Shareholders holding Shares in physical form may, if they so want, send their nominations in prescribed Form SH-13 of the Companies (Share Capital and Debentures) Rules 2014, to the Company's RTA. The said form can be obtained from the

CORPORATE GOVERNANCE REPORT *(Contd.)*

Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

Updation of Shareholders information:

The Shareholders of the Company are requested to intimate their latest Residential Address along with the details of their Shareholding in "Updation of Shareholder's Information Form" (which can be obtained from the Registered Office of the Company. The duly filled form for Updation of information may either be sent to the Company at its Registered Office or be hand-delivered at the Annual General Meeting of the Company.

10. OTHER DISCLOSURES

Basis of Related Party Transactions:

During the year 2018–19, there were no material individual transactions with related parties, which are not in normal course of business or are not on an Arm's Length basis. The statements in summary form of transactions with Related Parties in the ordinary course of business, if any, are placed periodically before the Audit Committee for its consideration and review. All disclosures related to financial and commercial transactions where Directors are interested are provided to the Board and the interested Directors neither participated in the discussion nor did they vote on such matters. The details of the Related Party Transactions, if any, during the year are given in the Notes forming part of financial statements.

Further, the Company has formulated a policy on materiality of Related Party Transactions in accordance with the Regulation 23 of the Regulations and the same is available on the website of the Company i.e. www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/policy-on-related-party-transactions.pdf

Risk Management Framework:

In pursuance to the Companies Act, 2013 and Regulation 17(9) of the Regulations, the Board of Directors of the Company has in place mechanisms to inform Board Members about the risk assessment and minimization procedures and periodical review to ensure that executive management controls risk by means of a properly defined framework. A note on Risk Management is given in the Management Discussion and Analysis section forming part of the Directors Report.

Compliance by the Company:

There were no instances of any non–compliance by the Company or any penalties imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to the Capital Markets, during the last three years.

Whistle Blower Policy/Vigil Mechanism:

The Whistle Blower policy/Vigil Mechanism of the Company has been formulated as per Regulation 22 of the Regulations and Section 177 of the Companies Act, 2013.The mechanism under the Policy has been appropriately communicated within the organization. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects the employees who wish to raise a concern about serious irregularities, unethical behaviour, actual or suspected fraud within the Company by reporting the same to the Audit Committee.

During the year, no unethical behavior has been reported. Further, the Company has not denied any personnel access to the Audit Committee and it will provide protection to Whistle Blower, if any, from adverse personnel action.

The Whistle Blower Policy of the Company is available on the website i.e. www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/whistle-blower-policy.pdf

Policy on criteria for Determining Materiality of Events:

The Policy on criteria for determining Materiality of Events has been framed in accordance with Regulation 30 of the Regulations which defines the criteria for determining the materiality of events or information related to the Company provides that such information should be adequately disseminated in pursuance with the Regulations and further provides for the overall governance framework for such determination of materiality. The said policy is available on the website of the Company i.e. www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/policy-for-etermination-of-materiality-of-event-or-information.pdf

CORPORATE GOVERNANCE REPORT *(Contd.)*

Code of Conduct and Corporate Ethics:

Company believes that Good Corporate Governance is the key to the Conduct of Company's Business in a transparent, reliable and vibrant manner. It is of paramount importance for any Company to create an atmosphere of faith, integrity, accountability, responsibility and financial stability by adhering to commitment, ethical business conduct, a high degree of transparency thereby unlocking the individual intellectual capabilities and enabling its Board of Directors to conduct its duties under a moral authority, which ultimately leads to enhance legitimate needs and value of the stakeholders. A copy of "Code of Conduct for Board of Directors & Senior Management Personnel" formulated in terms of Regulation 17 of the Regulations has been posted at Company's official website i.e. www.aarccl.in

Policy for determining 'material' subsidiaries:

The policy to determine a material subsidiary has been framed and the same is available on the website of the Company i.e. www.aarccl.in under the link https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/policy-for-determination-of-material-subsidiaries.pdf

Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

Certificate as required under Part C of Schedule V of Listing Regulations, received from Mr. Anurag Fatehpuria (Membership No. 34471, CP No. 12855), Practicing Company Secretary, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 13th August, 2019. The certificate given by Mr. Anurag Fatehpuria published in this Report is annexed to this Corporate Governance Report.

Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2018-19 are as under:

a. Number of complaints filed during the financial year: NIL

b. Number of complaints disposed of during the financial year: NIL

c. Number of complaints pending as on end of the financial year: NIL

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

In order to prevent misuse of any unpublished price sensitive information (UPSI), maintain confidentiality of all UPSI and prohibit any insider trading activity and abusive self-dealing of securities, in the interest of the shareholders at large, the Company has framed a Code of Conduct for Prohibition of Insider Trading. The said Code prohibits the Designated Persons of the Company from dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The details of dealing in Company's shares by Designated Employees/Designated Persons are quarterly placed before the Audit Committee. The Code also prescribes sanction framework and any instance of breach of code is dealt in accordance with the same. A copy of the said Code is made available to all employees of the Company and compliance of the same is ensured.

Further the Company has framed a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the same is available on the website of the Company at https://www.aarccl.in/images/pdf-reports/other-corporate-announcements/unpublished-price-sensitive-information-upsi-practices-and-procedures.pdf

Compliance Certificate on Corporate Governance

Certificate received from M/s. R.K. Tapadia & Co., Chartered Accountants, Statutory Auditors of the Company (M. No. 053927) having office at 1/1 Sevak Baidya Street, New Indrapuri 4th Floor, Kolkata – 700 029 confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34 (3) and Regulation 53(f) read with Schedule V (E) of the SEBI (LODR) Regulations, 2015 is annexed to this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT *(Contd.)*

Compliance of Mandatory Requirements:

The Company has complied with all the mandatory requirements of Regulation 17 to 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations. Details of compliances are given below:

I. Disclosure on website in terms of Listing Regulations	**Compliance Status (Yes/No/NA)**
Details of business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarization programmes imparted to independent directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
E-mail address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	N.A.
New name and the old name of the listed entity	N.A.

II ANNUAL AFFIRMATIONS		
Particulars	**Regulation Number**	**Compliance Status (Yes/No/NA)**
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition of Stakeholder Relationship Committee	20(1) & (2)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party transactions	23(4)	NA

CORPORATE GOVERNANCE REPORT *(Contd.)*

Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	NA
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarization of independent directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes

On Behalf of the Board of Directors

Anupam Khetan
Whole-time Director
DIN: 07003797

Place: Kolkata
Date: 13th August, 2019

CORPORATE GOVERNANCE REPORT *(Contd.)*

COMPLIANCE CERTIFICATE AS PER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CEO/CFO CERTIFICATE

We have reviewed financial statements and the cash flow statement for the year 2018 - 19 and that to the best of our knowledge and belief:

1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

3) No transaction entered into by the Company during the above said period, which is fraudulent, illegal or violative of the Company's Code of Conduct.

   Further, we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial statements and we have disclosed to the Auditors and the Audit Committee, wherever applicable:

   i. Deficiencies in the design or operation of internal controls, if any, which came to our notice and the steps we have taken or propose to take to rectify these deficiencies;

   ii. Significant changes in internal control over financial reporting during the year 2018-19;

   iii. Significant changes in accounting policies during the year 2018–19 and that the same have been disclosed in the notes to the financial statements;

   iv. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For AAR Commercial Company Limited

	Avijit Das	**Anupam Khetan**
Place: Kolkata	CFO	Whole-time Director
Date: 13th August, 2019		

COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that during the year 2018-19, all the Directors and Senior Managerial personnel have complied with the Code of Conduct, as applicable to them, and have given a confirmation in this regard.

For AAR Commercial Company Limited

Anupam Khetan
Whole-time Director
DIN: 07003797

Place: Kolkata
Date: 13th August, 2019

CORPORATE GOVERNANCE REPORT *(Contd.)*

INDEPENDENT AUDITOR'S CERTIFICATE TO THE MEMBERS OF AAR COMMERCIAL COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by M/s. AAR Commercial Company Limited ('the Company') for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations as amended from time to time.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **R. K. Tapadia & Co.**
(Chartered Accountants)
F. R. No. 318166E

(R.K. Tapadia)
Proprietor
M.No. 053927
UDIN No. 19053927AAAAAX6973

Place : Kolkata
Date : 13th August, 2019

CORPORATE GOVERNANCE REPORT *(Contd.)*

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors,
AAR Commercial Company Limited
HN - 22, Second Floor, Right Side,
Bazar Line, Bhogal, Jungpura,
New Delhi – 110 014

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AAR Commercial Company Limited having CIN: L63090WB1982PLC035019* and having Registered Office at Flat No - 22, Second Floor, Right Side, Bazar Lane, Bhogal, Jangpura, New Delhi – 110 014 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.N.	Name of the Directors	DIN	Date of Appointment in the Company
1	Mr. Anupam Khetan	07003797	21/03/2017
2	Mrs. Uma Sharma	06862354	06/05/2014
3	Mr. Udit Agarwal	07036864	06/12/2014
4	Mr. Rajendra Yadav	06980909	30/09/2014
5	Mr. Kumar Deepak	07052877	30/12/2014

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(Anurag Fatehpuria)
Practicing Company Secretary
Membership No. 34471,
CP No. 12855

Dated: 13th August, 2019
Place: Kolkata

** Registered Office of the Company has been shifted from the jurisdiction of Registrar of Companies, West Bengal to the jurisdiction of Registrar of Companies, Delhi and Haryana (from Kolkata to New Delhi). Company has filed E-Form INC-22 (informing the Registrar of Companies about situation of New Registered Office) with ROC. New Corporate Identification Number has not been generated/provided yet.*

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW AND DEVELOPMENT

As per data released by Central Statistics Office (CSO) "Real" or inflation-adjusted GDP grew 6.8 percent in 2018-19, lower than previous year's 7.2 percent. The growth in GDP was slowest since 2014-15.

Slowdown signs have been visible since last year, with GDP growing 6.6 percent in October-December 2018. The national income data have reinforced deceleration signs that were emanating from a slew of shop-end data, such as car and consumer goods sales, often seen as proxy indicators to gauge trends in household spending.

The projected GDP ranking as per International Monetary Fund (IMF) outlook October 2018 for year 2019 and 2023:

In 2019, Top ten countries in nominal terms would be: United States, China, Japan, Germany, India, France, United Kingdom, Italy, Brazil and Canada. In ppp terms, Top ten countries would be : China, United States, India, Japan, Germany, Russia, Indonesia, Brazil, United Kingdom and France. In top 10, Eight countries are common in both methods. Others two Italy and Canada are in top 10 on nominal basis, while Russia and Indonesia are in top 10 on ppp basis.

In both methods, United States and China would occupy first two place. US would be the largest economy of world on nominal basis where as China would be largest on ppp basis. US is ahead of China by $7310 billion in 2019. China has overtook US in 2014 on ppp basis. China will remain the world's largest economy on ppp basis over the next few decades as 2nd ranked US is growing slow and 3rd ranked India is way behind.

In nominal ranking, India which is at 7th place in 2018, is projected to surpass United Kingdom and France in 2019 to become 5th largest economy of the world. France is also projected to overtake United Kingdom. Switzerland would move up to 19th by displacing Turkey. Among top 50, Rank of Iran would down by 10 followed by Argentina, down by 4 positions. Bangladesh might overtake Pakistan.

In top 50 ppp ranking, Egypt, Netherlands, Bangladesh, Peru, and Czech Republic would move up by one position by displacing Australia, Netherlands, South Africa, Austria and Norway, resp. in 2019.

United States (1, 8) is present in both list of top ten GDP and GDP per capita ranking at nominal terms. Germany (4, 18), Canada (10,19), Australia (14,11), Netherlands (17,13) and Switzerland (19,3) are in top twenty list of both ranking. In PPP, no economy is in top ten in both ranking. Four economies in both list of top 20: United States (2, 12), Germany (5, 18), and Saudi Arabia (16, 15).

India is expected to grow by 7% in 2019 and 7.2% in 2020, slightly slower than projected in April because the fiscal 2018 outturn fell short. GDP growth in India in the fourth quarter of FY19 declined to 5.8 % year-on-year, down more sharply than expected from 6.6% in the previous quarter. Annual GDP growth decelerated to 6.8% in FY19 from 7.2% in FY18. However it is expected that GDP growth to inch up again to 7.2% in FY21, helped by recent reforms to improve the business climate, strengthen banks and relieve agrarian distress

OPPORTUNITIES AND THREATS

(a) Opportunities

The global economy is finally showing some signs of improvement in investment, manufacturing and trade since the last quarter of the financial year 2018 – 19 but it is expected to improve more in the coming financial year under the backdrop of new reforms and macro-economic developments. Such a scenario will give our Company the opportunity to increase our stakeholder values and build a expansive, lasting relationship with them. The Company has already started taking initiatives and implementing strategies to diversify its business into other areas.

(b) Threats

The constant fluctuations in the stock market and excessive competition from fellow competitors are some of the hindrances affecting our business.

OUTLOOK, RISK AND CONCERNS

Your Company has been trying to make use of available opportunities in the market for trading of cotton/fabrics and spread its business in other lucrative businesses too for increasing its profitability and size of business. The Company successfully listed its equity shares with BSE in February 2016 which strengthened the credibility of the company among the stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS *(Contd.)*

The underlying strength of Indian consumption and demand, continues to remain robust. The country's fabric and clothing markets remain a favorite of global consumers. The growth tendencies for 2018-19 are expected to be mostly reflective of the developments in these areas. Your Company is cautiously optimistic in the current scenario and will focus on a well adjusted expansion of business in other related business, resourceful cost management and risk containment measures in order to sustain profitability.

The company is a trading company deals in trading of cotton/ fabrics. However company also invests its funds in capital and debt market and creates an additional source of income in form of dividends and returns receivables on investment made and held by it in other Companies and the capital appreciation of investments. Any adverse financial impact on the operation / business of the invested companies may impact the revenues of the company and also result in diminution in the value of investments.

FINANCIAL PERFORMANCE AND ACCOUNTING TREATMENT

Gross revenues for this financial year comes to Rs. 1,27,37,423.00 as against Rs. 29,18,063.50 in the previous year. Profit before depreciation and taxation was Rs. 1,00,82,715.20 against Rs. 17,89,115.35 in the previous year. After providing for depreciation and taxation the net profit of the Company for the year under review was placed at Rs. 80,64,452.20 as compared to Rs. 17,25,330.35 in the previous year.

However the Company is looking forward to grasp the available opportunities and focusing on permitted avenues. The uncertain state of the global economy however remains a cause of concern.

In the preparation of financial statements, provisions of prescribed accounting standards has been followed and financial statements produces true and fair view of the business transactions of the Company.

HUMAN RESOURCE DEVELOPMENT

The Company's relation with the employees and investors continues to be cordial which are the most valuable resources of our organization.

ADEQUACY OF INTERNAL CONTROL SYSTEM

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal financial control systems in the Company, its compliance with operating systems, accounting procedures and policies at all levels of the Company. Significant audit observations and the corrective actions thereon are presented to the Audit Committee of the Board. The control framework is established and maintained by the Company. The observations by the statutory auditors is perused by the Management, the Audit Committee as well as the Board for proper implementation. The Company's internal financial controls have been found to be adequate and effective.

CAUTIONERY STATEMENT

The statements in the above analysis, describing the Company's projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. The actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in government regulations, tax regimes, economic developments within the country and abroad, and other related factors.

On Behalf of the Board of Directors

Anupam Khetan
Whole-time Director
DIN: 07003797

Place : Kolkata
Date : 13th August, 2019

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AAR COMMERCIAL COMPANY LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of AAR Commercial Company Limited ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Responsibilities of Management and those charged with governance for the standalone Ind AS financial statement

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Ind AS financial statement

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the standalone Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements, if any.

      ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R. K. TAPADIA & CO.**
(Chartered Accountants)
Firm Regn No. 318166E

Ramesh Kumar Tapadia
(Proprietor)
M. No. 053927

Place : Kolkata
Dated : 25th day of April, 2019

Annexure - A to the Auditors' Report

Responsibilities for Audit of Financial Statement

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

   Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

   We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

   From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **R. K. TAPADIA & CO.**
(Chartered Accountants)
Firm Regn No. 318166E

Ramesh Kumar Tapadia
(Proprietor)
M. No. 053927

Place : Kolkata
Dated : 25th day of April, 2019

Annexure - B to the Auditors' Report

(Referred to in paragraph 1 of the Report on other legal and regulatory requirements of the Independent Auditor's Report to the Members of the Company of even date):

1) The Company does not have any fixed or Immovable Assets. Consequently the provision of clause 3(i)(b) to 3(i)(c) of the order are not applicable to the company and hence not commented upon.

2) The Company does not have any inventory of any kind of goods or raw material and hence no reporting on this account is required.

3) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership and other parties listed in the Register maintained under Section 189 of the Companies Act, 2013 and therefore provisions on clauses 3(iii) of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the Company has neither given any loans nor has any investments and therefore provisions of clause (iv) of the Order are not applicable to the Company.

5) In our opinion and according to information and explanation given to us, during the year, the Company has not accepted any deposits from the public as defined under sections 73 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under and therefore provisions on clauses 3(v) of the Order are not applicable to the Company.

6) The Company has maintained the cost records as prescribed by the Central Government under sub section (1) of section 148 of the Act.

7) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to it except for few cases where there was delay in depositing of Provident Fund and Employees State Insurance Contribution with the appropriate authorities. According to information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.

b) The disputed statutory dues aggregating Rs. 8,81,44,040/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Statute	Nature of Dues	Amount (in INR)	Period to which the amount relates	Forum where dispute is pending
INCOME TAX ACT	INCOME TAX	8,81,44,040	A.Y. -2015-2016	DCIT, CIRCLE3(1), KOLKATA

8) The Company has not defaulted in payment Loan borrowed from financial institutions or bank or government or by way of issue of debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented uponIn our opinion and according to information and explanations given to us, during the year, no material fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.

10) According to information and explanations given to us and based on our examination of records of the Company, the Company has paid/provided for Managerial Remuneration in accordance with requisite approval mandated by provisions of section 197 read with schedule V of the Act.

11) The Company is not a Nidhi Company and therefore provisions of clause 3(xii) of the order are not applicable to the Company.

12) There were no transactions with the related parties during the year as defined under provision of section 177 and 188 of the Companies Act, 2013. Hence no disclosure under AS-18 and section 133 of the said Act read with rule-7 of the Companies (Accounts) Rules 2014 is required.

13) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore provisions of clause 3(xiv) of the order are not applicable to the Company.

14) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year and therefore provisions of clause 3(xv) of the order are not applicable to the Company.

15) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **R. K. TAPADIA & CO.**
(Chartered Accountants)
Firm Regn No. 318166E

Ramesh Kumar Tapadia
(Proprietor)
M. No. 053927

Place : Kolkata
Dated : 25th day of April, 2019

Annexure - C to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **AAR Commercial Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **R. K. TAPADIA & CO.**
(Chartered Accountants)
Firm Regn No. 318166E
Ramesh Kumar Tapadia
(Proprietor)
M. No. 053927

Place : Kolkata
Dated : 25th day of April, 2019

BALANCE SHEET as at March 31, 2019

(Amounts in ₹)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Financial assets			
(i) Investments	2	1,49,74,37,676	1,22,12,25,241
Other Non-Current Assets	3	8,54,171	22,38,171
Total Non-Current Assets		**1,49,82,91,847**	**1,22,34,63,413**
Current assets			
Financial assets			
(i) Trade Receivables	4	-	-
(ii) Cash and Cash Equivalents	5	16,58,31,970	24,82,409
(iii) Loans	6	25,78,462	45,78,462
Current Tax Assets (Net)	7	10,92,974	12,34,982
Other Current Assets	8	51,000	48,000
Total Current Assets		**16,95,54,406**	**83,43,853**
Total Assets		**1,66,78,46,253**	**1,23,18,07,266**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	10,01,40,000	10,01,40,000
Other Equity	10	1,36,11,65,254	1,03,65,22,283
Equity attributable to shareholders of the Company		**1,46,13,05,254**	**1,13,66,62,283**
Total Equity		**1,46,13,05,254**	**1,13,66,62,283**
Non-Current Liabilities			
Deferred Tax Assets (Net)	11	20,62,86,800	9,50,56,509
Total Non-Current Liabilities		**20,62,86,800**	**9,50,56,509**
Current liabilities			
Financial liabilities			
(ii) Other Financial Liabilities	12	2,54,200	88,474
Total Current Liabilities		**2,54,200**	**88,474**
Total Equity and Liabilities		**1,66,78,46,253**	**1,23,18,07,266**

Significant Accounting Policies

The accompanying Notes of Accounts are an integral part of financial statements.

As per our report of even date
For **R. K. Tapadia & Co**
Chartered Accountants
Firm Registration Number-318166E

For and on behalf of the Board

(Ramesh Kumar Tapadia)
Proprietor
Membership No. 053927

(Anupam Khetan)
Director
DIN:07003797

(Uma Sharma)
Director
DIN: 06862354

Place : Kolkata
Date: 25th day of April, 2019

(Avijit Das)
Chief Financial Officer

(Arvind Kumar Modi)
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2019

(Amounts in ₹)

Particulars	Note	For the Year 2018-19	For the Year 2017-18
Income			
Revenue from Operations	13	-	-
Other Income	14	1,27,37,423.00	29,18,063.50
Total Revenue		**1,27,37,423.00**	**29,18,063.50**
Expenses			
Purchases of Stock in Trade		-	-
Employee Benefits Expenses	15	11,31,600.00	3,55,050.00
Others expenses	16	15,23,107.80	7,73,898.15
Total expense		**26,54,707.80**	**11,28,948.15**
Profit/(loss) before tax		**1,00,82,715.20**	**17,89,115.35**
Tax Expenses			
- Current tax		(20,18,263.00)	(63,785.00)
Tax of earlier years		-	-
Profit/(Loss) for the Period		**80,64,452.20**	**17,25,330.35**
Other comprehensive income			
(i) Items that will not be reclassified to Statement of Profit and Loss.			
– Investments measured at FVTOCI		42,78,08,809.20	(59,00,63,019.00)
– Income tax relating to Investment at FVTOCI		(11,12,30,290.39)	20,02,43,968.86
Total Other Comprehensive Income/Loss		**31,65,78,518.81**	**(38,98,19,050.14)**
Total Comprehensive Income		**32,46,42,971.01**	**(38,80,93,719.79)**
Earning Per equity Share-Basic & Diluted	17	0.81	0.17
Face Value Per Share (In Rs.)		10.00	10.00

Significant Accounting Policies

The accompanying Notes of Accounts are an integral part of financial statements.

As per our report of even date
For **R. K. Tapadia & Co**
Chartered Accountants
Firm Registration Number-318166E

For and on behalf of the Board

(Ramesh Kumar Tapadia)
Proprietor
Membership No. 053927

(Anupam Khetan)
Director
DIN:07003797

(Uma Sharma)
Director
DIN: 06862354

Place : Kolkata
Date: 25th day of April, 2019

(Avijit Das)
Chief Financial Officer

(Arvind Kumar Modi)
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2019

(Amounts in ₹)

Particulars		Year ended on 31 March 2019	Year ended on 31 March 2018
1	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit Before Tax	1,00,82,715	17,89,115
	Addition/Deduction:		
	Dividend Received	(49,74,876)	(24,87,438)
	Profit on Sale of Investments	-	-
	Interest Received	(77,62,547)	(2,47,707)
	Cash Flow from Operating Activities before Working Capital changes	**(26,54,708)**	**(9,46,030)**
	Adjustments:		
	Decrease/(increase) in Trade Receivables	-	22,15,000
	Decrease/(increase) in current financial assets	20,00,000	11,18,807
	Decrease/(increase) in current non financial assets	(18,79,255)	(10,96,224)
	Increase/(decrease) in financial and non financial liabilities	11,13,96,017	(23,08,70,575)
	Cash Generated From Operation	**10,88,62,054**	**(22,95,79,022)**
	Taxes Paid	-	-
	Cash Flow from Operating Activities	**10,88,62,054**	**(22,95,79,022)**
2	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Dividend Received	49,74,876	24,87,438
	Interest Received	77,62,547	2,47,707
	Increase/Decrease of Investments	4,03,66,084	(10,05,67,394)
	Decrease/(increase) in other non-current assets	13,84,000	(2,95,171)
	Net Cash Flow from Investing Activities	**5,44,87,507**	**(9,81,27,420)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase/Decrease in Borrowings	-	-
	Increase/Decrease in Share Capital	-	-
	Increase/Decrease in Reserve and Surplus	-	32,96,65,572
	Net Cash Flow from Financing Activities	**-**	**32,96,65,572**
4	**NET CHANGE IN CASH & CASH EQUIVALENT**	16,33,49,561	19,59,130
	Opening Balance of Cash & Cash Equivalent	24,82,409	5,23,280
	Opening Bank Balances other then above	-	-
	CLOSING BALANCE OF CASH & CASH EQUIVALENT	**16,58,31,970**	**24,82,409**
	Closing Bank Balances other than above	-	-

Note -

1) The Cash Flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flow'.

2) Figures of the previous period has been rearranged/ regrouped where ever considard necessary.

As per our report of even date
For **R. K. Tapadia & Co**
Chartered Accountants
Firm Registration Number-318166E

(Ramesh Kumar Tapadia)
Proprietor
Membership No. 053927

Place : Kolkata
Date: 25th day of April, 2019

For and on behalf of the Board

(Anupam Khetan)
Director
DIN:07003797

(Avijit Das)
Chief Financial Officer

(Uma Sharma)
Director
DIN: 06862354

(Arvind Kumar Modi)
Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019

(Amounts in ₹)

A. EQUITY SHARE CAPITAL

	Balance at the beginning of the year	Changes in Equity Share Capital during the year	Balance at the end of the year
For the year ended 31st March, 2018	10,01,40,000.00	-	10,01,40,000.00
For the year ended 31st March, 2019	**10,01,40,000.00**	**-**	**10,01,40,000.00**

B. OTHER EQUITY

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Amalgamation Reserve	Securities Premium	Securities Premium on account of Amalgamation	Capital Reserve on Merger	Retained Earnings	Investment measured at FVTOCI	
Balance as at 1st April, 2017	38,37,70,732.98	-	-	-	41,60,725.91	70,70,18,971.98	**1,09,49,50,430.87**
Changes in Accounting Policy	**-**		**-**		-	-	**-**
Restated Balance	**38,37,70,732.98**	**-**	**-**	**-**	**41,60,725.91**	**70,70,18,971.98**	**1,09,49,50,430.87**
Add/(Less) :							
Addition on Amalgamation	-	5,77,12,500.00	32,00,80,000.00	43,46,026.30	(58,18,482.41)	(4,66,54,472.22)	**32,96,65,571.67**
Profit for the year	-	-	-	-	17,25,330.35	-	**17,25,330.35**
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-	(38,98,19,050.14)	**(38,98,19,050.14)**
Balance as at 31st March, 2018	**38,37,70,732.98**	**5,77,12,500.00**	**32,00,80,000.00**	**43,46,026.30**	**67,573.85**	**27,05,45,449.62**	**1,03,65,22,282.75**
Add/(Less) :							
Addition on Amalgamation	-	**-**	**-**	**-**	**-**	-	**-**
Profit for the year	**-**	**-**	**-**	**-**	80,64,452.20	-	**80,64,452.20**
Other Comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**-**	31,65,78,518.81	**31,65,78,518.81**
Balance as at 31st March, 2019	**38,37,70,732.98**	**5,77,12,500.00**	**32,00,80,000.00**	**43,46,026.30**	**81,32,026.05**	**58,71,23,968.43**	**1,36,11,65,253.76**

As per our report of even date
For **R. K. Tapadia & Co**
Chartered Accountants
Firm Registration Number-318166E

(Ramesh Kumar Tapadia)
Proprietor
Membership No. 053927

Place : Kolkata
Date: 25th day of April, 2019

For and on behalf of the Board

(Anupam Khetan)
Director
DIN:07003797

(Avijit Das)
Chief Financial Officer

(Uma Sharma)
Director
DIN: 06862354

(Arvind Kumar Modi)
Company Secretary

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

NOTE - 1

CORPORATE INFORMATION

AAR Commercial Company Limited ('the Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. Its shares are listed in two stock exchanges in India. The registered office of the company is located in 1, British India Street (Old Complex), Mezzenine Floor, Room No. 20, Kolkata - 700069. The company is primarily engaged in Investments.

SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act with effect from 1st April, 2017.

b) Basis of Preparation of Financial Statements

These financial statements have been prepared on a going concern basis, using the historical cost conventions and on an accrual method of accounting except for certain assets and liabilities that are required to be measured at fair value by Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

c) Use of Estimates

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

d) Inventories

Stock in Trade are valued at the lower of cost and net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on item-by-item basis. Cost of inventories include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on a first-in-first-out basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Packing materials are valued at cost computed on weighted average basis.

e) Classification of Assets and Liabilities as Current and Non Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is treated as current when, it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

f) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are subsequently measured at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(ii) Subsequent measurement

A. Financial Assets

Financial assets are classified into the specified categories:

a) Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premiums on acquisition and fees or costs that are an integral part of the EIR.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, if the company,s management has made an irrevocable election to present the equity investments at fair value through other comprehensive income then there is no subsequent reclassification of fair value gains or losses to the statement of profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

B. Financial Liabilities

After initial measurement at fair value, the financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method where the time value of money is significant, except for financial liabilities at fair value through profit or loss. Amortised cost is calculated by taking into account any discount or premiums on acquisition and fees or costs that are an integral part of the EIR.

(iii) Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to lifetime expected credit losses is recognised if the credit risk has significantly increased since initial recognition.

The company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity oprates or any other appropriate basis.

(iv) Derecognition of Financial Instruments

The company derecognises a financial assets only when the contractual rights to the cash flows from the assets expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

The company derecognises a financial liabilities only when the company's obligations are discharged, cancelled or they expire.

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

g) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances, rebates and amounts collected on behalf of the third parties.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the buyer and the amount of revenue can be reliably measured and recovery of the consideration is probable.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recorded using effective interest rate.

h) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amount used for taxation purpose (tax base), at the tax rates and law that are enacted or substantively enected as on the balance sheet date.

i) Provisions, Contingent Assets and Contingent Liabilities

A provision is recognized when there is a present obligation as a result of past event, that probably requires an outflow of resources and a reliable estmate can be made to settle the amount of obligation.These are reviewed at each year end and adjusted to reflect the best current estmates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are not recognised but disclosed in the financial statements.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

j) Earnings Per Share

Basic and Diluted Earnings per shares are calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

k) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

l) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profi t or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amounts in ₹)

NOTE - 2 : NON-CURRENT INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
Unquoted Equity Instruments measured at fair value though Other Comprehensive Income		
In Other Company	-	15,15,96,374.60
Sub-Total	-	15,15,96,374.60
Quoted Equity Instruments measured at fair value though Other Comprehensive Income		
In Other Company		
4,97,48,760 (F.V. Rs. 10) (P.Y.: 2018 - 49,74,876 (F.V. Rs. 100)) Equity Share of Gallantt Ispat Ltd.	**1,49,74,37,676.00**	**1,06,96,28,866.80**
Sub-Total	**1,49,74,37,676.00**	**1,06,96,28,866.80**
Total	**1,49,74,37,676.00**	**1,22,12,25,241.40**
Aggregate book value of quoted investments	1,49,74,37,676.00	1,06,96,28,866.80
Aggregate market value of quoted investments	1,49,74,37,676.00	1,06,96,28,866.80
Aggregate amount of impairment in value of investments	-	-

NOTE - 3 : OTHER NON-CURRENT ASSETS

(Unsecured, considered good)		
Capital Advances	-	13,84,000.00
Other Advances		
Capital Registration Fees	8,54,171.20	8,54,171.20
	8,54,171.20	**22,38,171.20**

NOTE - 4 : TRADE RECEIVABLES

(Unsecured, considered good)		
Secured, Considered Good	-	-
Less : Allowance for doubtful receivables	-	-
	-	**-**

NOTE - 5 : CASH & CASH EQUIVALENTS

Balances with bank :		
On Current Accounts	16,42,27,547.45	1,14,599.65
Cash in hand (As certified by the management)	16,04,422.82	23,67,809.52
	16,58,31,970.27	**24,82,409.17**

NOTE - 6 : LOANS - CURRENT

(Unsecured, considered good)		
Other Loans	25,78,461.90	45,78,461.90
	25,78,461.90	**45,78,461.90**

NOTE - 7 : CURRENT TAX ASSETS (NET)

Advances (net of provisions)	10,92,974.10	12,34,982.10
	10,92,974.10	**12,34,982.10**

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amounts in ₹)

NOTE - 8 : OTHER CURRENT ASSETS

Advances other than capital advances		
Security Deposit with Others	51,000.00	48,000.00
	51,000.00	**48,000.00**

NOTE - 9 : EQUITY SHARE CAPITAL

	As at 31st March, 2019	As at 31st March, 2018
Authorised Shares :		
124,50,000 (P.Y: 2017 - 101,40,000; 2016 - 101,40,000) Equity Shares of Rs.10/-each	**12,45,00,000.00**	**10,14,00,000.00**
Issued, Subscribed & fully Paid - up Shares		
100,14,000 (P.Y: 2017 - 100,14,000; 2016 - 100,14,000) Equity Shares of Rs.10/-each fully paid Up	**10,01,40,000.00**	**10,01,40,000.00**

(a) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.The dividend proposed by the Board of Directors is subject to the approval of the shareholders except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount in proportion of their shareholding.

(b) Details of equity shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	% of holding	No. of shares	% of holding
	–	–	–	–
	–	–	–	–

(c) The reconciliation of the number of shares outstanding is set out below :

	As at 31st March, 2019	As at 1st April, 2018
Equity Shares		
Equity Shares at the beginning of the year	1,00,14,000	1,00,14,000
Equity shares at the end of the year	**1,00,14,000**	**1,00,14,000**

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amounts in ₹)

NOTE - 10 : OTHER EQUITY

	As at 31st March, 2019	As at 1st April, 2018
RESERVE AND SURPLUS		
Amalgamation Reserve	38,37,70,732.98	38,37,70,732.98
Securities Premium	5,77,12,500.00	5,77,12,500.00
Securities Premium on account of Amalgamation	32,00,80,000.00	32,00,80,000.00
Capital reserve on Amalgamation	43,46,026.30	43,46,026.30
Retained Earnings	81,32,026.05	67,573.85
	77,40,41,285.33	**76,59,76,833.13**
OTHER COMPREHENSIVE INCOME		
Investments measured at FVTOCI	58,71,23,968.43	27,05,45,449.62
	58,71,23,968.43	**27,05,45,449.62**
	1,36,11,65,253.76	**1,03,65,22,282.75**

NOTE - 11 : DEFERRED TAX ASSETS (NET)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liability		
Investment at Fair Value through OCI	20,62,86,799.72	9,50,56,509.33
	20,62,86,799.72	**9,50,56,509.33**

NOTE - 12 : OTHER FINANCIAL LIABILITIES

Sundry Creditors for Exp. & Others	2,54,200.00	54,500.00
Other Payables	-	33,973.70
	2,54,200.00	**88,473.70**

NOTE - 13 : REVENUE FROM OPERATION

	For the Year 2018-19	For the Year 2017-18
Sale of Fabrics	-	-
	-	**-**

NOTE - 14 : OTHER INCOME

Dividend Received	49,74,876.00	24,87,438.00
Interest Received	77,62,547.00	2,47,707.00
Balances written off	-	1,82,918.50
	1,27,37,423.00	**29,18,063.50**

NOTE - 15 : EMPLOYEE BENEFITS EXPENSES

Salaries,Wages & Bonus	11,31,600.00	3,55,050.00
	11,31,600.00	**3,55,050.00**

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amounts in ₹)

NOTE - 16 : OTHER EXPENSES

Payment to Auditor (Refer details below)	25,000.00	54,500.00
Accounting Charges	36,000.00	24,000.00
Advertisement Expenses	74,248.00	17,689.00
Annual Custodian Fees	-	1,03,500.00
Miscellenious Expenditures	58,767.80	30,494.05
Brokerage Charges	9,400.00	-
Depository Charges	1,12,202.00	-
Director Sitting Fees	25,500.00	-
General Expenses	2,76,043.00	46,797.10
Interest on Tax Paid	-	2,408.00
Postage & Stamp	64,201.00	12,770.00
Professional Fees	1,43,000.00	-
Printing & Stationery	43,765.00	26,640.00
Registrar Fees	34,220.00	31,350.00
Rent Paid	1,49,200.00	96,000.00
Stock Exchange Fees	3,24,500.00	3,27,750.00
Travelling & Conveyance	1,47,061.00	-
	15,23,107.80	**7,73,898.15**
Payment to Auditor		
As Auditor (Including Goods and Service Tax)		
Statutory Audit Fee	25,000.00	54,500.00
	25,000.00	**54,500.00**

NOTE - 17 : EARNINGS PER SHARE(EPS)

	For the Year 2018-19	For the Year 2017-18
Net profit/(loss) after tax as per statement of Profit and Loss attributable to Equity Shareholders	80,64,452.20	17,25,330.35
Weighted average number of equity shares used as denominator for calculating EPS	1,00,14,000.00	1,00,14,000.00
Basic & Diluted Earning Per Share	0.81	0.17

NOTE - 18

As per information available with the Company, there are no suppliers covered under Micro, Small & Medium Enterprises Development Act, 2006. As a result, no interest provision/payment have been made by the Company to such creditors, if any, and no disclosure thereof is made in this account.

NOTE - 19 : RELATED PARTY DISCLOSURE

There is no transaction or balance outstanding at the end of the period with the related parties in terms of the provisions as per Indian Accounting Standard - 24, hence no disclosures of transactions with the related parties are given.

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

NOTE - 20 : INCOME TAX EXPENSES

(i) **Income Tax Expense**

The major components of income tax expenses for the year ended March 31, 2018 and for the year ended March 31, 2017 are:

Particulars	For the Year 2018-19	For the Year 2017-18
Current Tax	20,18,263	(63,785.00)
Deferred Tax Charge/MAT Credit	-	-
Total Income Tax Expense recognised in Statement of Profit & Loss	20,18,263	(63,785.00)

(ii) **Reconciliation of effective tax rate :**

Profit before Tax	1,00,82,715	17,89,115
Enacted Tax Rate in India	26.000	25.750
Expected Tax Expenses	26,21,506	4,60,697
Exemption under Income Tax Act, 1961	(12,93,468)	(6,40,515)
Expenses disallowed under Income Tax Act, 1961	6,90,224	2,43,603
Losses carried forward		-
Income Tax Expenses	**20,18,263**	**63,785**

NOTE - 21 : SCHEMES OF AMALGAMATION AND ARRANGEMENT

The scheme of arrangement between the Company and M/s. Camella Tradelink Private Limited (the Transferor Company) for merger has been approved by the Hon'ble High Court of West Bengal on 31st October, 2018. Pursuant to the scheme, M/s. Camella Tradelink Private Limited has merged with the Company with effect from 1st April, 2017. Accordingly, M/s Camella Tradelink Private Limited had ceased to exist and had mergerd with the Company. Accordingly entire assets and liabilities of the Transferor company have been recognised by the Company as the date of the transaction at same carrying values as in the books of the Transferor company. The difference between the share capital and the carrying values of investment in the Transferor company in the books of the Company had been carried to capital reserve.

NOTE - 22 : FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) **Capital Management**

The Company's objective when managing capital (defied as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

(b) **Categories of Financial Instruments**

The carrying value and fair value of financial instruments by categories is as follows : (Amounts in ₹)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at Fair Value through Other Comprehensive Income				
Quoted Equity Investments	1,49,74,37,676	1,49,74,37,676	1,06,96,28,867	1,06,96,28,867
Unquoted Equity Investments	0	0	15,15,96,375	15,15,96,375

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(Amounts in ₹)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Measured at Amortised Cost				
Equity Investments	0	0	0	0
Other Non-Current Assets	8,54,171	8,54,171	22,38,171	22,38,171
Trade Receivables	0	0	0	0
Cash and cash Equivalents	16,58,31,970	16,58,31,970	24,82,409	24,82,409
Loans - Current	25,78,462	25,78,462	45,78,462	45,78,462
Other Financial Assets	0	0	0	0
Other Financial Liabilities	2,54,200	2,54,200	88,474	88,474
Other Current assets	51,000	51,000	48,000	48,000

(c) **Fair Value Measurement and Fair Value Hierarchy**

Fair Value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Fair Value Hierarchy	As at 31st March, 2019	As at 31st March, 2018
Financial Assets			
Measured at Fair Value through Other Comprehensive Income			
Quoted Equity Shares	**1**	1,49,74,37,676	1,06,96,28,867
Unquoted Equity Shares		0	15,15,96,375
Measured at Amortised Cost			
Equity Shares	3	0	0

The management assessed that loans, cash and cash equivalents, trade receivables, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

NOTES TO FINANCIAL STATEMENTS for the year ended March 31, 2019

(d) **Financial Risk Management**

The Company's fiancial liabilities comprise trade and other liabilities. The main purpose of these fiancial liabilities is to fiance the Company's operations. The Company's fiancial assets include trade and other receivables, cash and cash equivalents.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a fiancial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, etc.

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, loans, cash and cash equivalents, bank deposits and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

Trade Receivables

In determining the allowances for credit losses of trade receivables, an impairment analysis is performed by the Company using a practical expedient by computing the expected credit loss allowance for trade receivables at each reporting date on an individual basis for all the customers. The procedure takes into account historical credit loss experience and is adjusted for forward looking information.

(c) Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

As per our report of even date
For **R. K. Tapadia & Co**
Chartered Accountants
Firm Registration Number-318166E

(Ramesh Kumar Tapadia)
Proprietor
Membership No. 053927

Place : Kolkata
Date: 25th day of April, 2019

For and on behalf of the Board

(Anupam Khetan)
Director
DIN:07003797

(Avijit Das)
Chief Financial Officer

(Uma Sharma)
Director
DIN: 06862354

(Arvind Kumar Modi)
Company Secretary

NOTES

“A river cuts through rock, not because of its power, but because of its persistence.”

print@manjari.net

S S M U & Co.
Chartered Accountants

To,
The Board of Directors,
HIPOLINE COMMERCE PVT. LTD.
KOLKATA

Ref: On Auditors Report under Non- Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1988 on the Accounts as on 31.03.2019

Dear Sir,

We have audited the attached Balance Sheet of your Company as at 31st March, 2019 and the relative profit & loss account for the year ended on that date annexed thereto and report that:

Further to our report of even date issued under section 139 of the companies act, 2013. As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 based on the information and explanation given to us and based on the records, produced, we state below a statement of matters specified in paragraph 3 of the said Directions.

1. In term of Paragraph 3 (A) of the said order of the Company had applied for and has obtained a Certificate of Registration from Reserve Bank of India with respect to its status as NBFC and the registration number is B.05.03563 dated 31.03.2000. The Company has complied with the net owned fund requirements.

2. Further in terms of Paragraph 3(C) the following is stated:

   i. The Board of Directors has passed a resolution for the non–acceptance of public deposits; and
   ii. The company has not accepted any deposits during the year;
   iii. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it.
   iv. The company is not a NBFC Micro Finance Institutions (MFI).

FOR S S M U & CO.
Chartered Accountants
FRN . 119340W

(C.A.Manish Jajoo)
Partner
M.No. 076601

Date: 05/09/2019
Place: Surat

201, Ratnadeep Chambers, 24 Carat, Ring Road, Surat – 395001 ssmusurat@gmail.com 8141569797

S|S|M|U & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

The Members of HIPOLINE COMMERCE PRIVATE LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of HIPOLINE COMMERCE PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit (or Loss)* and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern (include only is applicable)

The Company's net worth is positive and the borrowings from banks and financial institutions have been classified by the lenders as standard assets during the year. There are no factors suggesting any doubt on the Company's ability to continue as a going concern. Pending the resolution of the above uncertainties, the Company has prepared the aforesaid statement on a going concern basis.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Only if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no requirement of transferring amounts to the Investor Education and Protection Fund by the Company.

For SSMU & Co.
Chartered Accountants
Firm Registration No.119340W

CA Manish Jajoo

Partner
Membership No. 076601

Place: Surat
Date: 05.09.2019

UDIN: 19076601AAAADN5738

S S M U & Co.
Chartered Accountants

Annexure "A" to the Independent Auditor's Report*

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of Hipoline Commerce Private Limited of even date)

1. In respect of the Company's fixed assets:

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
   In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.

4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.

5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.

6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.

7. In respect of statutory dues:

   (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable

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(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.

8 In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.

9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14 According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15 According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16 According to the information and explanations given to us and based on our examination of the records of the company, the company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and it has obtained the registration.

For SSMU & Co.
Chartered Accountants
Firm Registration No.119340W

CA Manish Jajoo

Partner
Membership No. 076601

Place: Surat
Date: 05.09.2019

UDIN: 19076601AAAADN5738

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Hipoline Commerce Private Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesh Laxmi Processors Private Limited ("the Company") as at March 31, 2019, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SSMU & Co.
Chartered Accountants
Firm Registration No.119340W

CA Manish Jajoo
Partner
Membership No. 076601

Place: Surat
Date: 05.09.2019

UDIN: 19076601AAAADN5738

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069
CIN - U51909WB1995PTC076045
Email Id - agarwal_akash002@yahoo.co.in

BALANCE SHEET

	PARTICULARS	Note No.	AS AT 31/03/19 Amount (Rs)	AS AT 31/03/19 Amount (Rs)	AS AT 31/03/18 Amount (Rs)	AS AT 31/03/18 Amount (Rs)
I	**EQUITY AND LIABILITIES**					
1.	**Shareholders' funds**					
	(a) Share Capital	7	2,12,63,100.00		4,22,71,370	
	(b) Reserves and Surplus	8	35,39,41,658.70		28,40,78,461	
	(c) Money Received Against Share Warrants			37,52,04,758.70		32,63,49,831
2.	**Share application money pending allotment** (To the extent not refundable)					-
3.	**Non - current liabilities**					
	(a) Long -term borrowings	9	23,62,123.00		-	
	(b) Deferred Tax liabilities (Net)		-		-	
	(c) Other Long term liabilities		-		-	
	(d) Long -term provisions		-	23,62,123.00	-	-
4.	**Current Liabilities**					
	(a) Short -term borrowings	10	68,547.00		-	
	(b) Trade payables				-	
	(A) total outstanding dues of micro		-			
	(B) total outstanding dues of creditors other		1,02,41,452.00			
	(c) Other current liabilities	11	23,741.00		-	
	(d) Short -term provisions	12	15,860.00	1,03,49,600.00	5,28,285	5,28,285
	TOTAL			38,79,16,481.70		32,68,78,116
II	**ASSETS**					
1.	**Non - current assets**					
	(a) Property, Plant and Equipment					
	(i) Tangible assets	13	11,27,000.00		11,27,000	
	(ii) Intangible assets		-		-	
	(iii) Capital work -in -progress		-		-	
	(iv) Intangible assets under development		-		-	
	(b) Non-current investments	14	36,69,49,403.00		27,42,56,436	
	(c) Deferred tax assets (net)				-	
	(d) Long -term loans and advances				-	
	(e) Other non -current assets	15	-	36,80,76,403.00	-	27,53,83,436
2.	**Current Assets**					
	(a) Current investments				-	
	(b) Inventories	16	57,22,006.00		-	
	(c) Trade receivables					
	(d) Cash and Bank Balances	17	3,85,746.70		30,87,166	
	(e) Short -term loans and advances	18	45,13,312.00		3,91,88,500	
	(f) Other current assets	19	92,19,014.00	1,98,40,078.70	92,19,014	5,14,94,680
	TOTAL			38,79,16,481.70		32,68,78,116
	Significant accounting policies and notes to accounts	1 to 25				

For and on behalf of the Board
For Hipoline Commerce Private Limited

Akash Agarwal
Director
DIN - 02015012
Place : Surat
Date : 05/09/2019

Shree Raman
Director
DIN - 07967646

As per audited books of accounts
For S S M U & Co.
Chartered Accountants

(CA. Manish Jajoo)
Partner
FRN : 119340W
M.No.: 076601
UDIN: 19076601AAAADN5738

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069

CIN - U51909WB1995PTC076045

Email Id - agarwal_akash002@yahoo.co.in

PROFIT AND LOSS STATEMENT

	PARTICULARS	Note No.	For the year 2018-19		For the year 2017-18	
			Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
I	Revenue from operations	20	5,31,46,165.00		40,66,345	
II	Other Income	21	23,10,006.45	5,54,56,171.45	-	40,66,345
III	**Total Revenue (I +II)**			5,54,56,171.45		40,66,345
IV	**Expenses**					
	Cost of Materials Consumed		8,11,02,612.00		-	
	Purchase of Stock in Trade		-		-	
	Change in inventories of finished goods		-		-	
	Employee benefits expenses	23	1,17,000.00		-	
	Finance Costs	24	87,411.00		-	
	Depreciation and amortization expenses		-		24,000	
	Other expenses	25	52,142.30	8,13,59,165.30	84,781	1,08,781
	Total Expenses			8,13,59,165.30		1,08,781
V	**Profit before exceptional and extraodinary items and tax (III-IV)**			(2,59,02,993.85)		39,57,564
VI	**Exceptional Items**			-		-
VII	**Profit before extraordinary items and tax (V-VI)**			(2,59,02,993.85)		39,57,564
VII	**Extraordinary Items**			-		-
IX	**Profit before tax (VII - VIII)**			(2,59,02,993.85)		39,57,564
X	**Tax expenses**					
	(1) Current Year tax				10,68,030	
	(2) Last Year Tax				41,388	
	(3) Deferred tax			-	-	11,09,418
XI	**Profit / (Loss) for the period from continuing**			**(2,59,02,993.85)**		**28,48,146**
XII	Profit / (Loss) for the period from dis continuing			-		-
XIII	Tax expenses of discontinuing operations			-		-
XIV	Profit/(Loss) from discontinuing operations after tax (XII-XIII)			-		-
XV	Profit / Loss for the period (XI+XIV)			(2,59,02,993.85)		28,48,146
XV	Earning per equity share:					
	(1) Basic			(12.18)		0.67
	(2) Diluted			(12.18)		0.67
	Significant accounting policies and notes to accounts	1 to 28				

For and on behalf of the Board
For Hipoline Commerce Private Limited

Akash Agarwal
Director
DIN - 02015012
Place : Surat
Date : 05/09/2019

Shree Raman
Director
DIN - 07967646

As per audited books of accounts
For S S M U & Co.
Chartered Accountants

(CA. Manish Tajoo)
Partner
FRN : 119340W
M.No : 076601
UDIN: 19076601AAAADN5738

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069

CIN - U51909WB1995PTC076045

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The company is a Small and Medium sized company (SMC) as defined in the General Instructions in Respect of Accounting Standards

NOTE 2.1 : Basic Accounting (AS 1):

The accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting

NOTE 2.2 : Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are term deposit balances.

NOTE 2.3 : Revenue Recognition

Interest income is recognized on the basis of 26AS of the company.

NOTE 2.4 : Accounting For Investment

Investment in shares are classified as non-current investments and are carried at cost.

NOTE 2.5 : Related Party Disclosures (AS-18):

In view of Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, Company has

Name Of Party	Nature Of Transaction	Nature Of Relationship	2018-2019
Akash Agarwal	Repayment Of Loan &	Director	32,34,604
Akash Agarwal	Loan & Advances Given	Director	31,00,000
Akash Agarwal	Interest On Unsecured	Director	11,248
Akash Agarwal	Repayment Of	Director	41,32,396
Akash Agarwal	Unsecured lOans Taken	Director	64,84,396
Dinesh Kumar Agarwal	Repayment Of Loan &	Director's Father	77,60,000
Dinesh Kumar Agarwal	Loan & Advances Given	Director's Father	37,65,000
Dinesh Kumar Agarwal	Interest On Loan &	Director's Father	6,72,846
Ganesh Laxmi Processors Pvt. Ltd.	Repayment Of Loan &	Director and their relative are	1,74,18,147
Ganesh Laxmi Processors Pvt. Ltd.	Interest On Loan &	Director and their relative are	4,56,654
GL Steel and Power Ltd.	Repayment Of Loan &	Director and their relative are	98,00,085
GL Steel and Power Ltd.	Interest On Loan &	Director and their relative are	50,510
GL Overseas Pvt. Ltd.	Loan & Advances Given	Director and their relative are	62,000
GL Overseas Pvt. Ltd.	Repayment Of Loan &	Director and their relative are	50,21,159
GL Overseas Pvt. Ltd.	Interest On Loan &	Director and their relative are	4,51,797

NOTE 2.6: Earning Per Share (AS-20)

In compliance of Accounting Standard 20 on Earning per share issued by Institute of Chartered Accountants of India, the elements

PARTICULARS	31.03.19	31.03.18
Profit after tax	-25902993.85	2848145.55
No. of Equity shares	2126310	4227137
Earning per share	-12.18	0.67
Face value per share	10	10

NOTE 2.7: TAXES ON INCOME

Tax expense for the period, comprising current tax is included in the determination of the net profit or loss for the period. Current tax

NOTE 2.8 : CONTINGENT LIABILITIES

The company has given corporate guarantee for the Working Capital borrowed by group concern Gallantt Metal Limited.

NOTE 3

Figures of Short Term Loans & advances and Short Term Provision are subject to their respective confirmation and reconciliation and

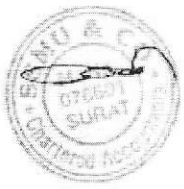
NOTE 4

I) Dues to Small Scale Industrial undertaking as on the Balance Sheet are Nil, based on information received by the management

(ii) As per the information available with the company, there are no amount payable or paid during the year, which are required to

NOTE 5

Previous year's figures have been regrouped, rearranged, recast, reclassified and restated wherever necessary.



NOTE 6

Additional information pursuant to paragraph 3,4,4B, 4C and 4D of part II of schedule VI of the Companies Act, 2013

A. Remuneration to Auditors:

Particulars	31.03.19	31.03.18
Audit Fee	11800	8850
Interim Audit Fee as on 31.01.2019	0	3540
Certification Fee	1975	3540
TOTAL	13775	15930

B. Expenditure in Foreign Currency

C. Earning in Foreign Exchange

NOTE 7

SHARE CAPITAL				
- Authorised				
47,28,300 Equity Shares of Rs. 10/- each		4,72,83,000		4,50,00,000
[Previous Year : 4500000 Equity Shares of Rs. 10/- each				
		4,72,83,000		4,50,00,000
- Issued, Subscribed and Paid up				
2126310 Equity Shares of Rs. 10/- each fully paid -up		2,12,63,100		4,22,71,370
[Previous Year : 4227137 Equity Shares of Rs. 10/- each]				
TOTAL		2,12,63,100		4,22,71,370

NOTE 7.1

Reconciliation of shares:	Nos.	Amount (Rs)	Nos.	Amount (Rs)
Opening Share Capital	42,27,137	4,22,71,370	42,27,137	4,22,71,370
Add: Shares issued during merger	5,710	57,100	-	-
Less: Shares withdrawn during merger	21,06,537	2,10,65,370		
Closing share Capital	21,26,310	2,12,63,100	42,27,137	4,22,71,370

NOTE 7.2

-List of Shares holders having 5% or more Shares (in Nos)

Name of Shareholders	In Nos.	In %	In Nos.	In %
1. Dinesh Kumar Agarwal	20,45,100	96.18%	20,45,100	48.38%
2. Lighthouse Merchants Pvt. Ltd.	-	0.00%	21,06,537	49.83%
TOTAL	20,45,100	96.18%	41,51,637	98.21%

NOTE 8

RESERVES AND SURPLUS				
NOTE 8.1				
Capital Reserve				
Opening Balance	11,12,72,227.00		11,12,72,227	
Closing Balance		11,12,72,227.00		11,12,72,227
NOTE 8.2				
Security Premium Account				
Opening Balance	12,00,17,535.00		12,00,17,535	
Closing Balance		12,00,17,535.00		12,00,17,535
NOTE 8.3				
Profit and Loss Account				
Opening Balance	5,27,88,698.55		4,99,40,553	
Add: During the year	(2,59,00,459.85)		28,48,146	
Closing Balance		2,68,88,238.70		5,27,88,699
NOTE 8.4				
Amalagamation reserve account				
Opening Balance	-		-	
Add: During the year	9,57,63,658.00		-	
Closing Balance		9,57,63,658.00		-
TOTAL		35,39,41,658.70		28,40,78,461

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069

Particulars	AS AT 31/03/19		AS AT 31/03/18	
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
NOTE 9				
Long -term borrowings				
Unsecured Loan from Relatives				
Akash Agarwal	23,62,123.00			
		23,62,123.00	-	-
TOTAL		23,62,123.00		-
NOTE 10				
Long -term borrowings				
Unsecured Loan from others				
Arnold Holding Ltd.	68,547.00	68,547.00	-	-
TOTAL		68,547.00		-
NOTE 11				
Other current liabilities				
Accounting Fees Payable	15,000.00			
TDS Payable	8,741.00	23,741.00	-	-
(Paid on 28/05/2019)				
TOTAL		23,741.00		-
NOTE 12				
SHORT TERM PROVISIONS				
Other Provisions:				
- Audit Fees Payable (SSMU & Co.)	15,100.00		33,405	
- Business Eye	-		2,750	
- Provision for Taxation	760.00		4,92,130	
TOTAL		15,860.00		5,28,285
NOTE 14				
NON - CURRENT INVESTMENTS	No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
Equity Shares				
(i) Gallantt Metal Ltd.	90,83,128	26,98,58,908.00	73,65,284	19,99,96,682
(ii)Mukta Agriculture Ltd. (Pearl Agriculture Ltd.)	22,000	1,09,29,600.00	22,000	1,09,29,600
(iii) Cressanda Solutions Ltd.	6,87,307	2,96,16,059.00	6,87,307	2,96,16,059
(iv)Mystic Electronics Ltd. (Pearl Electronics Ltd.)	18,800	95,89,880.00	18,800	95,89,880
(v) Matra Kaushal Enterprise Ltd(P L Enterprise Ltd.)	4,15,000	2,24,79,597.00	4,15,000	2,24,79,597
(vi) Balrampur Chini Mills Ltd.		-	21,000	16,44,618
(vii)Cherry Merchandise Pvt Ltd	750.00	15,00,000.00	-	-
(viii)Combine Dealtrade Pvt Ltd	750.00	15,00,000.00	-	-
(ix)Eagle Dealtrade Pvt Ltd	750.00	15,00,000.00	-	-
(x) Fraternity Vanijya Pvt Ltd	750.00	15,00,000.00	-	-
(xi) Indra Commosales Pvt Ltd	750.00	15,00,000.00	-	-
(xii) Joyful Tie-up Pvt Ltd	750.00	15,00,000.00	-	-
(xiii) Jubilee Vincom Pvt Ltd	500.00	10,00,000.00	-	-
(xiv) Mehandipura Vintrade Pvt Ltd	988.00	19,75,359.00	-	-
(xv) Jubilee Vincom Pvt Ltd	250.00	5,00,000.00	-	-
(xvi) Kronje Suppliers Pvt Ltd	750.00	15,00,000.00	-	-
(xvii) Mindpower Exports Pvt Ltd	750.00	15,00,000.00	-	-
(xviii) Sincere Vintrade Pvt Ltd	750.00	15,00,000.00	-	-
(xix) Sneha Vinimay Pvt Ltd	750.00	15,00,000.00	-	-
(xx) Spike Dealcom Pvt Ltd	750.00	15,00,000.00	-	-
(xxi) Suchandana Tie-up Pvt Ltd	750.00	15,00,000.00	-	-
(xxii) Zambo Finvest Consultants Pvt Ltd	750.00	15,00,000.00	-	-
(xxiii) Zuluk Sales Pvt Ltd	750.00	15,00,000.00	-	-
TOTAL INVESTMENT IN SHARES		36,69,19,103.00		27,42,56,436

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069

Particulars	AS AT 31/03/19		AS AT 31/03/18	
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
NOTE 15				
OTHER NON - CURRENT ASSETS				
NOTE 13.1				
Preliminary Expenses				
Opening Balance	-		24,000	
Less : Written off during the year	-	-	24,000	-
TOTAL		-		-
NOTE 16				
Inventories				
Jubliant food works Pvt Ltd.	52,11,006.00		-	
Vakrangee Ltd.	5,11,000.00	57,22,006.00	-	-
TOTAL		57,22,006.00		-
NOTE 17				
CASH AND BANK BALANCES				
- Cash and Cash Equivalents				
Cash in Hand		3,62,391.00		7,242.00
Balance with Bank				
In Current Accounts				
- HDFC Bank Ltd.	20,203.00		25,118	
- Canara Bank	588.00		-	
- AXIS Bank Ltd.	2,564.70	23,355.70	30,54,806	30,79,924
TOTAL		3,85,746.70		30,87,166
NOTE 18				
SHORT TERM LOANS AND ADVANCES				
Loans				
Akash Agarwal	-		134604	
Dinesh Kumar Agarwal	3200616.00		6590055	
Ganesh Laxmi Processors Pvt. Ltd.	-		17007158	
GL Overseas Pvt. Ltd.	468617.00		5021159	
GL Steel and Power Ltd.	0.00		9754626	
Kamad Giri Export	108174.00	3777407.00	108174	3,86,15,776
Income Tax Refund receivable (A.Y.2007-08)	572724.00		5,72,724	
Income Tax Refund receivable (A.Y.2019-20)	163181.00	735905.00	-	5,72,724
TOTAL		4513312.00		3,91,88,500
NOTE 19				
Other current assets				
MAT Credit for the year 2015-16	9219014.00	9219014.00	92,19,014	92,19,014
TOTAL		9219014.00		92,19,014
NOTE 20				
REVENUE FROM OPERATIONS				
Sale of Shares	19372433.00		-	
Sale of F & O	32141975.00		-	
Interest on Loans & Advances	1631807.00	53146165.00	40,66,345	40,66,345
TOTAL		53146165.00		40,66,345

HIPOLINE COMMERCE PRIVATE LIMITED

Regd Off. - 27A, Waterloo Street, First Floor, Room No. 118, Kolkata - 700069

Particulars	AS AT 31/03/19		AS AT 31/03/18	
	Amount	Amount	Amount	Amount
NOTE 21				
Other Income				
Dividend Income	2304761.45			
Discount	5245.00	2310006.45		-
TOTAL		2310006.45		-
NOTE 22				
Cost of Materials Consumed				
Shares				
Stock at Commencement	0.00			
Add: Purchases	40325296.00			
Less : Stock at Close	5722006.00	34603290.00		-
F & O				
F &O Purchases		46499322.00		
TOTAL		81102612.00		-
NOTE 23				
Employee benefits expenses				
Salary Exp.	117000.00			
		117000.00		-
TOTAL		117000.00		-
NOTE 24				
Finance Costs				
Interest on unsecured Loan	87411.00			
		87411.00		-
TOTAL		87411.00		-
NOTE 25				
OTHER EXPENSES				
Auditor's Remuneration	11800.00		10,200	
Accounting Fees	15000.00			
Bank Charges	1174.30		7,754	
Demat Charges	1062.00		1,048	
ROC Filing Fees	8400.00		16,700	
Legal Fees	7000.00		49,080	
CA certificate	1975.00		-	
Penalty	5731.00		-	
		52142.30		84,781
TOTAL		52142.30		84,781

Signature to Notes 1 to 25

As per audited books of accounts
For S S M U & Co.
Chartered Accountants

CA Manish Jajoo
Partner
M.No.: 076601
FRN: 119340W
UDIN: 19076601AAAADN5738
Place : Surat
Date : 05/09/2019

As per audited books of accounts
For Hipoline Commerce Pvt. Ltd.

AKASH AGARWAL
Director
DIN - 02015012

SHREE RAMAN
Director
DIN - 07967646

M. C. Jagwayan & Co.
Chartered Accountants

46, Kali Krishna Tagore Street, 2nd Floor
Kolkata - 700 007, Phone : 2259 2076 / 5650 / 6731
e-mail : mcj1974.co@gmail.com

LEXI EXPORTS PRIVATE LIMITED
INDEPENDENT AUDITOR'S REPORT

To The Members of
LEXI EXPORTS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **Lexi Exports Private Limited.**("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal financial controls system in place.

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Companies Act 2013, (hereinafter referred to as "Order") and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the said order.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss and the cash flow statements dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

M. C. JAGIWAYAN & CO. KOLKATA Chartered Accountants

(f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company on the basis of the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred by the company to the Investor Education and Protection Fund.

M.C.Jagwayan
Proprietor
M.No: 15515

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

For and on behalf of:
M.C.Jagwayan &Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAAZ1976

Kolkata: The 3rd day of Sept. , 2019.

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

Annexure "A" to the Independent Auditors' Report of Lexi Exports Private Limited as of and for the year ended March 31, 2019 (referred in our report of even date)

i. The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

ii. The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

iii. According to the information and explanation given to us and on the basis of our examination of the books of accounts the Company has not granted any loans, secured or unsecured, to the parties covered in register maintained under Section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii) of the Order are not applicable

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

v. The Company is a Non Banking Financial Company and hence the paragraph 3(v) of the order is not applicable.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of employees' state insurance, Income-tax, goods and service tax and material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and the records of the company examined by us , there are no dues of income-tax and goods and service tax which have not been deposited on account of any dispute.

viii. The Company has no dues payable to a banker, financial institution or government or debenture-holders during the year. Accordingly, the provisions of clause 3(vii) of the Order are not applicable.

ix. The company has not obtained any term loans or raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to us, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of our audit.

xi. The Company is a private limited company and hence the provisions of section 197 of the Companies Act, 2013 are not applicable. Thus, paragraph 3 (xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph (xii) of the Order is not applicable.

LEXI EXPORTS PVT. LTD.

Director

LEXI EXPORTS PVT. LTD.

Director

S. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

xiii. According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the Standalone Financial Statement s of the Company as required by the applicable accounting standards

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph (xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph (xv) of the Order is not applicable.

xvi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 since 10.04.2003.

M. C. Jagwayan

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

M.C.Jagwayan
Proprietor
M.No: 015515

For and on behalf of:
M.C.Jagwayan &Co.
Chartered Accountants
Firm Reg. No.309038E
UDIN: 19015515AAAAAZ1976

Kolkata: The 3rd day of Sept. ,2019.

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Balance Sheet as at 31 March, 2019

	Particulars	Note No.	As at 31 March, 2019 Amount in ₹	As at 31 March, 2018 Amount in ₹
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	14,29,670.00	328,83,500.00
	(b) Reserves and surplus	2	2120,37,464.70	1764,74,169.47
	(c) Money received against share warrants			
			2134,67,134.70	2093,57,669.47
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	3	10,303.00	5,680.00
			10,303.00	5,680.00
4	**Current liabilities**			
	(a) Short-term borrowings	4	4,65,000.00	-
	(b) Trade payables		-	-
	(c) Other current liabilities	5	23,600.00	24,81,514.37
	(d) Short-term provisions		-	-
			4,88,600.00	24,81,514.37
	TOTAL		**2139,66,037.70**	**2118,44,863.84**
B				
1	**ASSETS**			
	Non-current assets			
	(a) Property, Plant and Equipment:		-	-
	(b) Non-current investments	6	2094,35,433.98	2102,28,389.98
	(c) Deferred Tax assets		-	-
	(c) Long-term loans and advances	7	33,614.00	-
	(d) Other non-current assets		-	-
2			2094,69,047.98	2102,28,389.98
	Current assets			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(c) Trade receivables		-	-
	(d) Cash and cash equivalents	8	3,75,500.71	1,96,473.86
	(e) Short-term loans and advances	9	41,21,036.00	14,20,000.00
	(f) Other current assets	10	453.01	-
			44,96,989.72	16,16,473.86
	TOTAL		**2139,66,037.70**	**2118,44,863.84**
	Summary of Significant Accounting Policies	14		

The accompanying notes are an integral part of the financial statements

Signed in terms of our attached report of even date

M.C. Jagwayan

M.C.Jagwayan
Proprietor
M.No: 015515

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

For and on behalf of:
M.C.Jagwayan & Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAAZ1976

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Shweta Director

Place: Kolkata
Dated : The 3rd day of Sept. 2019.

LEXI EXPORTS PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	Note No.	For the year ended 31 March, 2019 Amount in ₹	For the year ended 31 March, 2018 Amount in ₹
	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	11	50,06,689.55	7,895.00
	Less: Excise duty		-	-
	Revenue from operations (net)		50,06,689.55	7,895.00
2	Other income		4,377.00	-
3	**Total revenue (1+2)**		**50,11,066.55**	**7,895.00**
4	**Expenses**			
	(a) Cost of materials consumed		-	-
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
	(d) Employee benefits expense	12	1,08,000.00	4,500.00
	(e) Finance costs		-	-
	(f) Depreciation and amortisation expense		-	-
	(g) Other expenses	13	1,21,581.82	19,265.37
	(h) Provision for Standard Assets		4,623.00	710.00
	Total expenses		**2,34,204.82**	**24,475.37**
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		47,76,861.73	(16,580.37)
6	Exceptional items		-	-
7	**Profit / (Loss) before extraordinary items and tax (5 ± 6)**		47,76,861.73	(16,580.37)
8	Extraordinary items		-	-
9	**Profit / (Loss) before tax (7 ± 8)**		**47,76,861.73**	**(16,580.37)**
10	**Tax expense:**			
	(a) Current tax expense for current year		3,46,501.00	-
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		23,000.00	-
	(d) Net current tax expense		3,69,501.00	-
	(e) Deferred tax			
11	**Profit/(Loss) after Tax (9 +10)**		**44,07,360.73**	**(16,580.37)**
12	Transferred to Statutory Reserve Fund (20%)		8,81,472.00	-
A	**Profit/(Loss) from continuing operations (11 ±12)**		**35,25,888.73**	**(16,580.37)**

LEXI EXPORTS PVT. LTD.
Director

Contd..../2

M.C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	Note No.	For the year ended 31 March, 2019 Amount in ₹	For the year ended 31 March, 2018 Amount in ₹
	DISCONTINUING OPERATIONS			
13.i	Profit / (Loss) from discontinuing operations (before tax)		-	-
13.ii	Add / (Less): Tax expense of discontinuing operations		-	-
B	**Profit / (Loss) from discontinuing operations (13I+13iI)**			
C	**Profit/(loss) for the year (A+B)**		35,25,888.73	(16,580.37)
D	Earnings per share (of ₹10/- each):			
	(a) Basic			
	(i) Continuing operations		24.66	(0.12)
	(ii) Total operations		24.66	(0.12)
	(b) Diluted			
	(i) Continuing operations		24.66	(0.12)
	(ii) Total operations		24.66	(0.12)
	Summary of Significant Accounting Policies	14		

The accompanying notes are an integral part of the financial statements

Signed in terms of our attached report of even date

M.C. Jagwayan

M.C.Jagwayan
Proprietor
M.No: 015515

M. C. JAGWAYAN & CO. ★ KOLKATA ★ Chartered Accountants

For and on behalf of:
M.C.Jagwayan & Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAAZ1976

Place: Kolkata
Dated : The 3rd day of Sept. 2019.

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Statement of Cash flows for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019		For the year ended 31 March, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax & exceptional items		**47,76,861.73**		**(16,580.37)**
Adjustments for:				
Provision for standard Asset	4,623.00		710.00	
Interest Income	-		-	
Operating profit before working capital changes		**47,81,484.73**		**(15,870.37)**
Adjustments for:				
Trade payables	-		-	
Other current liabilities	(24,57,914.37)		(61,325.63)	
Other Non Current Assets	-		-	
Inventories	-		-	
Trade receivables	-		-	
Short-term loans and advances	(27,01,036.00)		-	
Other current assets	(453.01)		-	
Cash generated from operations		**(51,59,403.38)**		**(61,325.63)**
Direct taxes paid		(4,03,115.00)		-
Net cash from/(used) in operating activities		**(7,81,033.65)**		**(77,196.00)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Changes in Non Current Investment	7,92,956.00		-	
Purchase of Current Investment	-		-	
			-	
Net cash from/(used) in investing activities		**7,92,956.00**		**-**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings	4,65,000.00		-	
Change in share Capital	(314,53,830.00)		-	
Effect of Merger	311,55,934.50			
Net cash from/(used) in financing activities		**1,67,104.50**		**-**
Net increase in cash and cash equivalents (A+B+C)		**1,79,026.85**		**(77,196.00)**
Cash and cash equivalents (opening balance)		**1,96,473.86**		**2,73,669.86**
Exceptional expenses				
Cash and cash equivalents (closing balance)		**3,75,500.71**		**1,96,473.86**

M. C. JAGWAYAAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Statement of Cash flows for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Notes to the Cash Flow Statement		
1. Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet amounts:		
Cash on hand (As Certified by the management)	1,80,388.33	59,273.33
Balances with bank:		
(i) In Current Accounts with Bank	1,95,112.38	1,37,200.53
Cash and cash equivalents (closing balance)	**3,75,500.71**	**1,96,473.86**
2. The Above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statement".		

The accompanying notes are an integral part of the financial statements

Signed in terms of our attached report of even date

M.C. Jagwayan

M.C.Jagwayan
Proprietor
M.No: 015515

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

For and on behalf of:
M.C.Jagwayan & Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAAZ1976

Place: Kolkata
Dated : The 3rd day of Sept 2019.

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 1: Share capital

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
(a) **Authorised Shares**		
34,30,000 Equity Shares of ₹ 10/- each upon Amalgamation of Transferor Companies (P.Y. 33,00,000 Equity Shares of ₹ 10/- each)	343,00,000.00	330,00,000.00
Please refer Note No.14.3.16.J of Notes to Accounts		
	343,00,000.00	**330,00,000.00**
(b) **Issued ,Subscribed & Fully Paid-up Shares**		
1,42,967 Equity Shares of ₹ 10/- Each Fully Paid-up	14,29,670.00	328,83,500.00
(P.Y. 32,88,350 Equity Shares of ₹ 10/- Each Fully Paid-up)		
Total Issued, Subscribed & Fully Paid-up Share Capital	**14,29,670.00**	**328,83,500.00**
Please refer Note No.14.3.16 of Notes to Accounts		

a) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March, 2019		31 March, 2018	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
At the beginning of the period	32,88,350	328,83,500.00	32,88,350	328,83,500.00
Add: Alloted during the year.#	1,42,967	14,29,670.00	-	-
Less: Cancellation during the year.#	(32,88,350)	(328,83,500.00)	-	-
Outstanding at the end of the period	**1,42,967**	**14,29,670.00**	**32,88,350**	**328,83,500.00**

 # Please refer Note No.14.3.16 of Notes to Accounts

c) Details of shareholders holding more than 5% shares in the Company

Equity shares of ₹ 10/- each fully paid up	31 March, 2019		31 March, 2018	
	No. of shares	% holding	No. of shares	% holding
Aradhana Vinimay Pvt. Ltd. #	-	-	16,39,500	4.99%
Ballan Vanijya Pvt. Ltd. #	-	-	6,80,000	20.68%
Tridev Commosales Pvt. Ltd. #	-	-	9,68,850	29.46%
Shweta Gupta	62,917	44.01%	-	-
Ashwin Gupta	80,050	55.99%	-	-

 # Please refer Note No.14.3.16 of Notes to Accounts

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 2: Reserves and surplus

Particulars		31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Securities premium amount			
Opening Balance		1748,03,000.00	1748,03,000.00
Premium on shares issued during the year		-	-
Add: Transfer from erstwhile Transferor Companies		159,21,000.00	-
Please refer Note No.14.3.16 of Notes to Accounts			
	(A)	**1907,24,000.00**	**1748,03,000.00**
Statutory Reserve Fund			
Opening Balance		1,82,102.72	1,82,102.72
Add:Transfer from surplus in statement of profit and loss		8,81,472.00	-
	(B)	**10,63,574.72**	**1,82,102.72**
Capital Reserve			
Opening Balance		-	-
Add: During the Year		153,01,080.00	-
Please refer Note No.14.3.16 of Notes to Accounts			
	(C)	**153,01,080.00**	-
Surplus/(Deficit) in the statement of profit and loss			
Balance as per the last financial statements		14,89,066.75	15,05,647.12
Add: Transfer from erstwhile Transferor Companies		(66,145.50)	-
Profit/(Loss) for the year		44,07,360.73	(16,580.37)
Less:Transfer to Statutory reseve		(8,81,472.00)	-
Net Surplus/(Deficit) in the statement of profit and loss	**(D)**	**49,48,809.98**	**14,89,066.75**
Please refer Note No.14.3.16 of Notes to Accounts			
Total (A + B + C+D)		**2120,37,464.70**	**1764,74,169.47**

Note 3 : Long Term Provisions

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Contingent Provision against Standard Assets (As per RBI Directions)	10,303.00	5,680.00
	10,303.00	**5,680.00**

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD. Director

LEXI EXPORTS PVT. LTD. Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 4 : Short Term Borrowings

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Unsecured		
Loans and advances from related parties		
Ashwin Gupta	55,000.00	-
Kavita Gupta	4,10,000.00	-
Total	**4,65,000.00**	**-**

The above loans are repayable on demand and there is no default in repayment.

Note 5 : Other current liabilities

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Audit Fees Payable	23,600.00	11,800.00
Khetan Tracon Pvt Ltd.	-	22,50,000.00
Rohit Choudhary	-	2,17,929.00
Motilal Oswal Securities	-	1,785.37
Total	**23,600.00**	**24,81,514.37**

Note 6 : Non - Current Investment

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Investment in Equity Shares		
Quoted Shares		
Gallant Metal Ltd. (1,19,30,679 shares ,P.Y. 1,19,77,179 shares)	2094,35,433.98	2100,58,389.98
A	**2094,35,433.98**	**2100,58,389.98**
Aggregate Market Value of Quoted Investments	5935,51,280.00	4707,03,135.00
Unquoted Shares		
Aradhana Vinimay Pvt Ltd (17,000 shares) #	-	1,70,000.00
B	**-**	**1,70,000.00**
Total(A+B)	**2094,35,433.98**	**2102,28,389.98**

Please refer Note No.14.3.16 of Notes to Accounts

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 7 : Long Term Loans and Advances

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Loans and advances to other than related parties		
Unsecured, considered good		
Advance Income tax & TDS (net of provisions 3,46,501 as at 31 March ,2019)	33,614.00	-
Total	**33,614.00**	**-**

Note 8 : Cash and cash equivalents

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
(a) Cash on hand	1,80,388.33	59,273.33
(b) Balances with bank		
(i) In Current Account with Tamilnad Mercantile Bank Ltd.	18,277.88	1,37,200.53
(i) In Current Account with Development Credit Bank	10,836.00	-
(i) In Current Account with ICICI Bank	54,998.50	-
(i) In Current Account with ICICI Bank	55,500.00	-
(i) In Current Account with ICICI Bank	55,500.00	-
Total	**3,75,500.71**	**1,96,473.86**

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 9 : Short-term loans and advances

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Unsecured, considered good		
Satchandi Sales Ltd.	-	14,20,000.00
Ganesh Laxmi Processors Pvt Ltd	41,21,036.00	-
Total	**41,21,036.00**	**14,20,000.00**

Note 10 : Other Current Assets

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Motilal Oswal Securities	453.01	-
Total	**453.01**	**-**

Note 11: Revenue from Operation

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Interest Income	3,01,151.00	-
Dividend Income	29,82,669.75	-
Long Term Capital Gain on Sale of Listed Shares	17,22,868.80	-
Total	**50,06,689.55**	**-**

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PRIVATE LIMITED

Notes forming part of the financial statements

Note 12 : Employee Benefits Expense

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Salaries and wages	1,08,000.00	4,500.00
Total	**1,08,000.00**	**4,500.00**

Note 13 : Other Expenses

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Audit Fees	23,600.00	11,800.00
Professional Charges	31,860.00	-
Legal Expenses	5,800.00	-
ROC Filling Fees	4,800.00	3,600.00
Professional Tax	7,500.00	-
Credit Rating Charges	29,500.00	-
Advertisement Expenses	6,997.00	-
Bank Charges	624.00	-
Postage & Stamps	516.00	290.00
Printing & Stationery	3,450.00	560.00
General Expenses	3,612.00	1,230.00
Additional ROC Filing Fees	1,200.00	-
Demat Charges	2,122.82	1,785.37
Total	**1,21,581.82**	**19,265.37**

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

Notes forming part of the financial statements

Note 14 : Summary of Significant Accounting Policies

14.1 CORPORATE INFORMATION:

Lexi Exports Pvt Ltd is a private company domiciled in India and incorporated under the Companies Act. The company is a Non Banking Financial Company and is registered with the Reserve Bank of India under section 45IA of Reserve Bank of India Act, 1934, vide Registration No. B-05.04965 dated 10.04.2003.The Company is regular in compliance with the Reserve Bank of India Act,1934 as applicable.

14.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual basis under the historical cost convention except stated otherwise.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except stated otherwise.

14.3 SIGNIFICANT ACCOUNTING POLICIES:

14.3.1 Use of Accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results materialise.

14.3.2 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

14.3.3 Investments:

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

The cost of investments comprises acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.

Director

LEXI EXPORTS PVT. LTD.

Director

14.3.4 Employee Benefits:

Short Term Employee Benefits

These are recognized at the undiscounted amount as expense for the year in which the related service is rendered.

Gratuity

Gratuity is not provided for in the Books of accounts and it is accounted for as and when paid.However the impact thereof on profitability of the company is not significant

Post Employment Benefit Plans

The company is not liable to contribute to provident fund,employees state insurance as per the respective legislations hence there are no schemes relating to defined contribution.

14.3.5 Earnings per share:

Basic Earnings per share are calculated by dividing the net profit /loss for the period attributable to equity shareholders (after deduction of taxes and preference dividend, if any) by the weighted average number of equity shares outstanding during the year.Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14.3.6 Provisions:

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.The Company makes provisions on Standard Assets in accordance with the RBI Guidelines

14.3.7 Contingent Liabilities & Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognise the contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

14.3.8 Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation or carry forward losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidences that they can be realised against future taxable profits. At each reporting date, the company re-assesses unrecognised deferred tax assets of earlier years and recognizes it to the extent that it has become reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

LEXI EXPORTS PVT. LTD.
Director

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.
Director

14.3.9 Dues to Small Scale Industrial undertaking as on the Balance Sheet date is Nil (Nil) based on the information received by the company.

14.3.10 The company has not received any intimation from its vendors regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any, required under the said Act have not been made.

14.3.11 The figures of previous year are not comparable with figures of the current year, as the current year figures are amalgamated figures. The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

14.3.12 As the Company's business activity primarily falls within a single business segment which constitutes Non Banking Financial Activity, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment.

14.3.13 Special statutory reserve has been provided ₹ 8,81,472/-@ 20% of profit after tax as per RBI Act, 1934

14.3.14 Information as required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Non Systematically Important Holding companies prudential Norms (Reserve Bank) direction 2015 is enclosed as an Annexure.

14.3.15 **Related Party Disclosures:**

Related Party Disclosures (As Identified by the Management) in accordance with the Accounting Standard 18 pertaining to "Related Party Disclosure" issued by the ICAI:

Name of Related Party	Description of Relationship	Nature of Transaction	FY	Amount of Transaction in Rs.	Closing Balance in Rs.
Kavita Gupta	Relative of Director	Loan Taken	2018-19	3,10,000	3,60,000

14.3.16 **Note on Amalgamation**

a. The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order Dated 10th May, 2019, in the matter of Company Petition No 1624/KB of 2018 connected with Company Application No 787/KB of 2018 has sanctioned the Scheme of amalgamation of Aradhana Vinimay Private Limited (Transferor Company No.1), Ballan Vanijya Private Limited (Transferor Company No. 2) and Tridev Commosales Private Limited (Transferor Company No. 3) with the Company pursuant to Sections 230 to 232 of the Companies Act,2013

b. The Transferor Companies and and Transferee Company repectively have respectively filed INC 28 on 13.06.2019 with the Registrar of Companies, Wes Bengal, Ministry of Corporate Affairs for registering the order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench.

c. As per the Scheme of Amalgamation all the Assets and the Liabilities of the erstwhile Transferor Companies will stand transferred and vested with the Company as on and from 01.04.2018, being the TRANSFER DATE.

LEXI EXPORTS PVT. LTD.

Director

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.

Director

d. The company has recorded in its books all the Assets and the Liabilities of the erstwhile Transferor Companies as on the TRANSFER DATE by booking them on one to one basis.

e. The TRANSFEREE COMPANY is taking appropriate steps for registering in its name all the assets that are registered in the name of erstwhile Transferor Companies.

f. The accounting for Amalgamation is being done on the basis of Pooling of Interest Methord as per and in the manner provided in Accounting Standard AS-14.

g. 16,39,500 equity shares of Rs. 10/- each held by Aradhana Vinimay Private Limited (Transferor Company No.1) , 6,80,000 equity shares of Rs. 10/- each held by Ballan Vanijya Private Limited (Transferor Company No. 2) and 9,68,850 equity shares of Rs. 10/- each held by Tridev Commosales Private Limited (Transferor Company No. 3) in Lexi Exports Private Limited (Transferee Company) has been cancelled being cross /inter holding of shares, as per the Scheme of Amalgamation.

h. Shares were not allotted to the members of Aradhana Vinimay Private Limited as the shareholders of this Transferor Company were Transferor Companies themselves and Transferee Company."

I. As per the scheme of Amalgamation, the company has alloted 59,367/- equity shares of Rs.10/- each to the erstwhile members of Ballan Vanijya Private Limited and 83,600/- equity shares of Rs.10/- each to the erstwhile members of Tridev Commosales Private Limited on 10.07.2019.

Thirteen Equity Shares of Rs.10/- each credited as fully paid-up in the Transferee Company for every Three Equity Shares of Rs.10/- each fully paid-up held by members in Ballan Vanijya Private Limited.

Eleven Equity Shares of Rs.10/- each credited as fully paid-up in the Transferee Company for every Two Equity Shares of Rs.10/- each fully paid-up held by members in Tridev Commosales Private Limited.

j. As per the scheme of Amalgamation, the Authorised Capital of the Transferor Companies is transferred to and amalgamated with the authorized share capital of the Transferee Company.

SN	Name of the Company	Authorised Capital (in Rs.)
i)	Lexi Exports Private Limited (Transferee Company)	330,00,000
ii)	Aradhana Vinimay Private Limited (Transferor Company No.1)	9,00,000
iii)	Ballan Vanijya Private Limited (Transferor Company No. 2)	2,00,000
iv)	Tridev Commosales Private Limited (Transferor Company No. 3)	2,00,000
	Total	**343,00,000**

However, the Authorized Capital of the Company has not yet been updated on the Ministry of Corporate Affairs website as the authorized capital of the company as per MCA website is still Rs. 3,30,00000. The management is still pursuing this matter with the MCA Officials.

k. **Calculation of Capital reserve**

Net Assets, Laibilities & Reserves of Transferor Companies	11,79,000
Less: Purchase Consideration	27,01,110
Gross Capital Reserve	(15,22,110)
Add: Gain on Share Capital Cancelled pursuant to amalgamtion	164,41,750
Add: Gain on cancelaltion of Investment in shares of Transferor company	3,81,440
Total	153,01,080

LEXI EXPORTS PVT. LTD.

Director

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.

Director

Details of Share Allotted

Particulars	1*	2*	3*	Total
Paid up Capital (Rs.)	8,90,000	1,37,000	1,52,000	11,79,000
Face Value (Rs.)	10	10	10	10
No. of shares	89,000	13,700	15,200	1,17,900
Less Cross Holding (No. of Shares)	89,000	-	-	89,000
Net Capital	-	13,700	15,200	28,900
Swap Ratio	10 FOR 7	13 FOR 3	11 FOR 2	-
No. of Shares Alloted.	-	59,367	83,600	1,42,967

Details of Transferor Companies

Particulars	1*	2*	3*	Total
Assets	83,34,367	38,47,465	53,44,722	175,26,554
Liabilities	3,70,900	60,900	60,900	4,92,700
Networth	79,63,467	37,86,565	52,83,822	170,33,854

SN	Name of the Company
1	Aradhana Vinimay Private Limited
2	Ballan Vanijya Private Limited
3	Tridev Commosales Private Limited

I. The Board of Directors of the Company allotted shares to the shareholders of erstwhile Transferor Company(ies), on 10.07.2019 after filing INC 28 based on the list of shareholders furnished by the Transferor Companies , and has considered the same under Share Capital instead of showing it under Share Capital Suspense, since the transfer date was 01.04.2018.

Signed in terms of our
attached report of even date

M.C. Jagwayan

M.C.Jagwayan
Proprietor
M.No: 015515

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

For and on behalf of:
M.C.Jagwayan & Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAA21976

Place: Kolkata
Date : 03.09.2019

LEXI EXPORTS PVT. LTD.

Director

LEXI EXPORTS PVT. LTD.

Director

LEXI EXPORTS PRIVATE LIMITED

ANNEXURE TO NOTE - 14.3.14

	Liabilities side		
	Particulars	**₹ (Lacs)**	**₹ (Lacs)**
(1)	Loans and advances availed by NBFC's inclusive of Interest Accrued thereon but not paid	**Amount outstanding**	**Amount overdue**
	a. Debentures :	NIL	NIL
	Secured		
	Unsecured		
	(other than falling within the meaning of public deposits*)		
	b. Deferred Credits	NIL	NIL
	c. Terms Loans	NIL	NIL
	d. Inter-corporate loans and borrowing	NIL	NIL
	e. Commercial Paper	NIL	NIL
	f. Other Loans (unsecured loan) [Note 1]	4.65	NIL
	Assets side :	**Amount outstanding ₹ (Lacs)**	
(2)	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below]**		
	a. Secured	**NIL**	
	b. Unsecured	**41.21**	

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

LEXI EXPORTS PVT. LTD.

Director

LEXI EXPORTS PVT. LTD.

Director

(3)	**Break up of Leased Assets and stock on hire and other assets counting towards AFC activities**	**Amount outstanding ₹ (Lacs)**
	I. Lease assets including lease rental under sundry debtors	
	a. Financial Lease	NIL
	b. Operating Lease	NIL
	II. Stock on hire including hire charges under sundry debtors	NIL
	a. Assets on hire	
	b. Repossessed Assets	
	III. Other loans counting towards AFC activities	
	a. Loans where assets have been repossessed	
	b. Loans other than (a) above	

(4)	**Break-up of Investments :**	**Amount outstanding ₹ (Lacs)**
	Current Investments :	
	1. **Quoted :**	
	(I) Shares :	
	a. Equity	Nil
	b. Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (*please specify*)	Nil
	2. **Unquoted :**	
	(I) Shares :	
	a. Equity	Nil
	b. Preference	Nil
	(ii) Debentures and Bonds	Nil
	(iii) Units of mutual funds	Nil
	(iv) Government Securities	Nil
	(v) Others (*please specify*)	Nil

LEXI EXPORTS PVT. LTD.

Director

M. C. JAGWAYAM & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.

Director

Long Term investments :		
1. **Quoted :**		
(I) Shares :		
	a. Equity	2094.35
	b. Preference	NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Others (*please specify*)		NIL
2. **Unquoted :**		
(I) Shares :		
	a. Equity	NIL
	b. Preference	NIL
(ii) Debentures and Bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government Securities		NIL
(v) Fixed Deposits with Bank		NIL
	TOTAL	**2094.35**

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above [Note-2] :

Category	Amount net of provisions		
	Secured	**Unsecured**	**Total**
1. Related Parties **			
a. Subsidiaries	NIL	NIL	NIL
b. Companies in the same group	NIL	NIL	NIL
c. Other related parties	NIL	NIL	NIL
2. Other than related parties	NIL	41.21	41.21
Total	NIL	41.21	41.21

LEXI EXPORTS PVT. LTD.

Director

M. C. JAGWAYAN & CO. Chartered Accountants KOLKATA

LEXI EXPORTS PVT. LTD.

Director

(6) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : [Note 3]**

	Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties **		
	a. Subsidiaries	NIL	NIL
	b. Companies in the same group	NIL	NIL
	c. Other related parties	NIL	NIL
2.	Other than related parties	5935.51	2094.35
	Total	5935.51	2094.35

** As per Accounting Standard of ICAI (Please see note 3)

(7) **Other Information**

Particulars			Amount (₹) (Lacs)
	(I)	Gross Non-Performing Assets	
		(a) Related parties	NIL
		(b) Other than related parties	NIL
	(ii)	Net Non-Performing Assets	
		(a) Related parties	NIL
		(b) Other than related parties	NIL
	(iii)	Assets acquired in satisfaction of debt	NIL

NOTES:-

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-systematically Important Non -Banking Financial (Non-Deposit Accepting or Holding) Companies prudential Norms (Reserve Bank) Directions,2015.
3. All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of unquoted investment should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

Signed in terms of our attached report of even date

M.C.Jagwayan

M.C.Jagwayan
Proprietor
M.No: 015515

M. C. JAGWAYAN & CO. KOLKATA Chartered Accountants

For and on behalf of:
M.C.Jagwayan & Co.
Chartered Accountants
Firm Reg. No.: 309038E
UDIN: 19015515AAAAZ1976

Place: Kolkata
Dated : 03.09.2019

LEXI EXPORTS PVT. LTD.
Director

LEXI EXPORTS PVT. LTD.
Director

Ayush Agarwal
Chartered Accountant

37/1, Maharshi Devendra Road, Kolkata - 700 006, Mobile : 98744 25970, E-mail : ayush6000@yahoo.co.in

RICHIE CREDIT & FINANCE PRIVATE LIMITED

INDEPENDENT AUDITOR'S REPORT

To The Members of
RICHIE CREDIT & FINANCE PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

I have audited the accompanying Standalone Financial Statements of **Richie Credit & Finance Private Limited.**("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Act and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report is information included in the Directors' Report, but does not include the standalone financial statements and my auditor's report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

My objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal financial controls system in place.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Companies Act 2013, (hereinafter referred to as "Order") and on the basis of such checks of the books and records of the company as I considered appropriate and according to the information and explanations given to me, I enclose in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the said order.

2. As required by section 143(3) of the Act, I report that:

(a) I have sought and obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of my audit;

(b) In my opinion, proper books of account as required by the law have been kept by the Company so far as it appears from my examination of those books.

(c) The Balance Sheet, and Statement of Profit and Loss and the cash flow statements dealt with by this Report are in agreement with the books of account.

(d) In my opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

(f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in my opinion and according to the information and explanation given to me, the said report on internal financial controls is not applicable to the Company on the basis of the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls over financial reporting;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company did not have long-term contracts including derivatives contracts for which there were any material foreseeable losses.

iii) There were no amounts which were required to be transferred by the company to the Investor Education and Protection Fund.

Ayush Agarwal
Chartered Accountant
M. No: 067712
UDIN: 19067712AAAAAW9636

Kolkata: The 3rd day of Sept, 2019

Annexure "A" to the Independent Auditors' Report of Richie Credit & Finance Private Limited as of and for the year ended March 31, 2019 (referred in my report of even date)

i. The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

ii. The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

iii.

(a) According to the information and explanations given to me, the terms and conditions in respect of the loans granted by the Company (secured/ unsecured loans) to companies/ firms/ limited liability partnerships or other parties covered in the register maintained under section 189 of the Act are not prima-facie prejudicial to the interest of the Company.

(b) In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.

(c) In respect of the aforesaid loans, there is no overdue amount for a period exceeding 90 days.

iv. In my opinion and according to the information and explanations given to me, the Company has not given any loans, made any investments, provided any guarantees, and given any security to which the provisions of section 185 and 186 of the Companies Act, 2013 are applicable.

v. The Company is a Non Banking Financial Company and hence the paragraph 3(v) of the order is not applicable.

vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the Company.

vii. According to the information and explanations given to me and on the basis of my examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to me, no undisputed amounts payable in respect of employees' state insurance, income-tax, goods and service tax and material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

According to the information and explanations given to me and the records of the company examined by me , there are no dues of income-tax, and goods and service tax which have not been deposited on account of any dispute.

viii. The Company has no dues payable to a financial institution or a bank or government or debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix. The company has not obtained any term loans or raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.

x. According to the information and explanations given to me, no fraud by the Company or on by its officers or employees has been noticed or reported during the course of my audit.

AYUSH AGARWAL KOLKATA Chartered Accountant

xi. The Company is a private limited company and hence the provisions of section 197 of the Companies Act, 2013 are not applicable. Thus, paragraph 3 (xi) of the Order is not applicable.

xii. In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company. Accordingly, paragraph (xii) of the Order is not applicable.

xiii. According to the information and explanations given to me and based on my examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details of such transactions have been disclosed in the financial statements of the Company as required by the applicable accounting standards.

xiv. According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph (xiv) of the Order is not applicable.

xv. According to the information and explanations given to me and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly paragraph (xv) of the Order is not applicable.

xvi. According to the information and explanations given to me and based on my examination of the records of the Company, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 vide Registration No.-B-05.06989 dated 24.06.2014.

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

Ayush Agarwal
Chartered Accountant
M.No. 067712
UDIN: 19067712AAAAAW963

Place: Kolkata.
Date: The 3rd day of Sept 2019.

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Shweta Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Balance Sheet as at 31 March, 2019

	Particulars	Note No.	As at 31 March, 2019 Amount in ₹	As at 31 March, 2018 Amount in ₹
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	10,20,000.00	282,98,500.00
	(b) Reserves and surplus	2	1400,91,345.36	1097,48,442.25
	(c) Money received against share warrants		-	-
			1411,11,345.36	1380,46,942.25
2	**Share application money pending allotment**		-	-
3	**Non-current liabilities**			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other long-term liabilities		-	-
	(d) Long-term provisions	3	22,146.00	22,146.00
			22,146.00	22,146.00
4	**Current liabilities**			
	(a) Short-term borrowings	4	1,75,000.00	-
	(b) Trade payables		-	-
	(c) Other current liabilities	5	20,000.00	35,10,181.15
	(d) Short-term provisions	6	29,116.00	40,720.00
			2,24,116.00	35,50,901.15
	TOTAL		**1413,57,607.36**	**1416,19,989.40**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets		-	-
	(b) Non-current investments	7	1338,14,109.67	1342,44,109.67
	(c) Long-term loans and advances		-	-
	(d) Other non-current assets		-	-
			1338,14,109.67	1342,44,109.67
2	**Current assets**			
	(a) Current investments		-	-
	(b) Inventories		-	-
	(b) Trade receivables		-	-
	(c) Cash and cash equivalents	8	11,44,179.69	24,36,619.73
	(d) Short-term loans and advances	9	59,34,318.00	41,76,048.00
	(e) Other current assets	10	4,65,000.00	7,63,212.00
			75,43,497.69	73,75,879.73
	TOTAL		**1413,57,607.36**	**1416,19,989.40**
	Summary of Significant Accounting Policies	15		

The accompanying notes are an integral part of the financial statements

Signed in terms of my attached report of even date

Ayush Agarwal
Chartered Accountant
M.No: 067712
UDIN: 19067712AAAAAW9636

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

Place: Kolkata
Dated : The 3rd day of Sept, 2019.

RICHIE CREDIT & FINANCE PVT. LTD.
Director

RICHIE CREDIT & FINANCE PVT. LTD.
Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2019

	Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
			Amount in ₹	Amount in ₹
	CONTINUING OPERATIONS			
1	Revenue from operations (gross)	11	18,06,513.50	4,14,493.00
	Less: Excise duty		-	-
	Revenue from operations (net)		18,06,513.50	4,14,493.00
2	Other income	12	-	3,097.00
3	**Total revenue (1+2)**		18,06,513.50	4,17,590.00
4	**Expenses**			
	(a) Cost of materials consumed		-	-
	(b) Purchases of stock-in-trade		-	-
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
	(d) Employee benefits expense	13	24,000.00	-
	(e) Finance costs		-	-
	(f) Depreciation and amortisation expense		-	-
	(g) Other expenses	14	2,09,345.39	1,03,410.21
	(h) Provision for Standard Assets		-	-
	Total expenses		**2,33,345.39**	**1,03,410.21**
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**		15,73,168.11	3,14,179.79
6	Exceptional items		-	-
7	**Profit / (Loss) before extraordinary items and tax (5 ± 6)**		15,73,168.11	3,14,179.79
8	Extraordinary items		-	-
9	**Profit / (Loss) before tax (7 ± 8)**		15,73,168.11	3,14,179.79
10	Tax expense:			
	(a) Current tax expense for current year		84,263.00	82,171.00
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		3,280.00	-
	(d) Net current tax expense		87,543.00	82,171.00
	(e) Deferred tax		-	-
			87,543.00	**82,171.00**
11	**Profit / (Loss) after tax (9 ± 10)**		**14,85,625.11**	**2,32,008.79**
12	Add / (Less): Transferred to Statutory Reserve(20%)		2,97,125.00	46,401.76
A	**Profit/(Loss) from continuing operations (11 ±12)**		**11,88,500.11**	**1,85,607.03**

Contd..../2

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant ★

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2018

	Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
			Amount in ₹	Amount in ₹
	DISCONTINUING OPERATIONS			
11.I	Profit / (Loss) from discontinuing operations (before tax)		-	-
11.ii	Add / (Less): Tax expense of discontinuing operations		-	-
B	**Profit / (Loss) from discontinuing operations (11i+11ii)**		-	-
C	**Profit/(loss) for the year (A+B)**		**11,88,500.11**	**1,85,607.03**
D	**Earnings per share (of ₹10/- each):**			
	(a) Basic			
	(i) Continuing operations		11.65	0.07
	(ii) Total operations		11.65	0.07
	(b) Diluted			
	(i) Continuing operations		11.65	0.07
	(ii) Total operations		11.65	0.07
	Summary of Significant Accounting Policies	15		

The accompanying notes are an integral part of the financial statements

Signed in terms of my attached report of even date

Ayush Agarwal
Chartered Accountant
M.No: 067712
UDIN: 19067712AAAAAW963

AYUSH AGARWAL * KOLKATA * Chartered Accountant

Place: Kolkata
Dated : The 3rd day of Sept, 2019.

RICHIE CREDIT & FINANCE PVT. LTD.
Director

RICHIE CREDIT & FINANCE PVT. LTD.
Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Statement of Cash flows for the year ended 31 March, 2019

Particulars		For the year ended 31 March, 2019		For the year ended 31 March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax & exceptional items		**15,73,168.11**		**3,14,179.79**
Adjustments for:				
Provision for standard Asset	-		-	
Operating profit before working capital changes		**15,73,168.11**		**3,14,179.79**
Adjustments for:				
Other current liabilities	(34,90,181.15)		33,92,290.15	
Long Term Loan & Advances	-		-	
Short-term loans and advances	(17,58,270.00)		21,51,417.00	
Other current assets	2,98,212.00		1,53,150.00	
Cash generated from operations		**(49,50,239.15)**		**56,96,857.15**
Direct taxes paid		(99,147.00)		(31,785.00)
Net cash from/(used) in operating activities		**(34,76,218.04)**		**59,79,251.94**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in Investment	4,30,000.00		(39,29,192.94)	
			-	
Net cash from/(used) in investing activities		**4,30,000.00**		**(39,29,192.94)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Short Term Borrowings	1,75,000.00		-	
Effect of Merger	288,57,278.00			
Change in Share Capital	(272,78,500.00)			
Net cash from/(used) in financing activities		**17,53,778.00**		**-**
Net increase in cash and cash equivalents (A+B+C)		**(12,92,440.04)**		**20,50,059.00**
Cash and cash equivalents (opening balance)		**24,36,619.73**		**3,86,560.73**
Exceptional expenses				
Cash and cash equivalents (closing balance)		**11,44,179.69**		**24,36,619.73**

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Statement of Cash flows for the year ended 31 March, 2019

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Notes to the Cash Flow Statement		
1. Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet amounts:		
Cash on hand (As Certified by the management)	8,44,499.73	18,424.73
Balances with bank:		
(i) In current accounts with Bank	2,99,679.96	24,18,195.00
Cash and cash equivalents (closing balance)	**11,44,179.69**	**24,36,619.73**
2. The Above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statement".		

The accompanying notes are an integral part of the financial statements

Signed in terms of my attached report of even date

Ayush Agarwal
Chartered Accountant
M.No: 067712
UDIN: 19067712AAAAAW9636

AYUSH AGARWAL * KOLKATA * Chartered Accountant

Place: Kolkata
Dated : The 3rd day of Sept, 2019.

RICHIE CREDIT & FINANCE PVT. LTD.
Director

RICHIE CREDIT & FINANCE PVT. LTD.
Shweta.
Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 1: Share capital

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
(a) **Authorised Shares** 35,10,000 Equity Shares of ₹ 10/- each upon Amalgamation of Transferor Companies (P.Y. 28,50,000 Equity Shares of ₹ 10/- each)	351,00,000.00	285,00,000.00
	351,00,000.00	285,00,000.00
(b) **Issued ,Subscribed & Fully Paid-up Shares** 1,02,000 Equity Shares of ₹ 10/- each Fully Paid-up (P.Y. 28,29,850 Equity Shares of ₹ 10/- each Fully Paid-up)	10,20,000.00	282,98,500.00
Total Issued, Subscribed & Fully Paid-up Share Capital	10,20,000.00	282,98,500.00
Please refer Note No.15.3.16 of Notes to Accounts		

a) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	31 March, 2019		31 March, 2018	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
At the beginning of the period	28,29,850.00	282,98,500.00	28,29,850.00	282,98,500.00
Add: Alloted during the year.#	1,02,000.00	10,20,000.00	-	-
Less: Cancellation during the year.#	(28,29,850.00)	(282,98,500.00)	-	-
Outstanding at the end of the period	**1,02,000.00**	**10,20,000.00**	**28,29,850.00**	**282,98,500.00**

#Please refer Note No.15.3.16 of Notes to Accounts

c) Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 10/- each fully paid up	31 March, 2019		31 March, 2018	
	No. of shares	% holding	No. of shares	% holding
Ghanshyam Distributors Pvt. Ltd. #	-	-	9,44,550	33.38%
Paramjyoti Vinimay Pvt Ltd #	-	-	8,27,300	29.23%
Shivalik Vinimay Pvt Ltd #	-	-	10,58,000	37.39%
Ashwin Gupta	51,000	50.00%	-	-
Shweta Gupta	51,000	50.00%	-	-

 # Please refer Note No.15.3.16 of Notes to Accounts

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant ★

RICHIE CREDIT & FINANCE PVT. LTD.

Shweta Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 2: Reserves and surplus

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Securities premium amount		
Opening Balance	1147,06,000.00	1147,06,000.00
Add: Premium on shares issued during the year	-	-
Add: Transfer from erstwhile Transferor Companies	108,90,000.00	-
Please refer Note No.15.3.16 of Notes to Accounts		
Total (A)	1255,96,000.00	1147,06,000.00
Special Statutory Reserve		
Opening Balance	3,59,748.36	3,13,346.60
Add: Created during the year	2,97,125.00	46,401.76
Total (B)	6,56,873.36	3,59,748.36
Capital Reserve		
Opening Balance	-	-
Add: During the Year	182,29,250.00	-
Please refer Note No.15.3.16 of Notes to Accounts		
Total (C)	182,29,250.00	-
Surplus/(Deficit) in the statement of profit and loss		
Balance as per the last financial statements	(53,17,306.11)	(55,02,913.14)
Add: Transfer from erstwhile Transferor Companies	(2,61,972.00)	-
Profit/(Loss) for the year	11,88,500.11	1,85,607.03
Net surplus/ (deficit) in the statement of profit and loss (D)	(43,90,778.00)	(53,17,306.11)
Please refer Note No.15.3.16 of Notes to Accounts		
Total Reserve and Surplus (A + B+C+D)	**1400,91,345.36**	**1097,48,442.25**

Note 3 : Long Term Provisions

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Contingent Provision against Standard Assets (As per RBI Directions dated 10.11.2014)	22,146.00	22,146.00
Total	**22,146.00**	**22,146.00**

Note 4 : Short Term Borrowings

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Unsecured		
Loans and advances from related parties		
Ashwin Gupta	50,000.00	-
Shweta Gupta	1,25,000.00	-
Total	**1,75,000.00**	**-**

The above loans are repayable on demand and there is no default in repayment.

Note 5 : Other current liabilities

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Other payables		
Shivarpan Vanijya Private Limited	-	35,00,000.00
Anand Rathi Share and Stock Brokers Ltd	-	181.15
Audit Fees Payable	20,000.00	10,000.00
Total	**20,000.00**	**35,10,181.15**

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL Chartered Accountant KOLKATA

RICHIE CREDIT & FINANCE PVT. LTD.

Shweta.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 6 : Short Term Provision

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Provision for tax (Net of TDS Rs.55,147/-as on 31st March 2019)	29,116.00	40,720.00
Total	**29,116.00**	**40,720.00**

Note 7 : Non- Current Investments

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Non Trade Investment (valued at cost unless stated otherwise)		
Quoted Equity Instruments:-		
Gallant Metal Ltd (50,20,194 Shares)	1332,58,784.67	1332,58,784.67
Shalimar Product (70,000 shares)	5,55,325.00	5,55,325.00
Unquoted Equity Instruments:-		
Ghanshyam Distributors Pvt Ltd (23,000 Shares) #	-	2,30,000.00
Shivalik Vinimay Pvt Ltd. (20,000 Shares) #	-	2,00,000.00
Total	**1338,14,109.67**	**1342,44,109.67**
Aggregate Market Value of Quoted Shares	**2497,88,951.50**	**2023,48,118.20**

 # Please refer Note No.15.3.16 of Notes to Accounts

Note 8 : Cash and Cash Equivalents

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
(a) Cash on hand	8,44,499.73	18,424.73
(b) Balances with banks		
(i) In current account with Oriental Bank of Commerce	1,55,772.96	24,18,195.00
(ii) In current account with Development Credit Bank	10,030.00	-
(iii) In current account with ICICI Bank	55,500.00	-
(iv) In current account with ICICI Bank	55,500.00	-
(v) In current account with Tamilnad Mercantile Bank	11,259.00	-
(vi) In current account with DCB Bank	11,618.00	-
Total	**11,44,179.69**	**24,36,619.73**

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 9 : Short Term Loans & Advances

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Loan: Related Party (Unsecured, Considered Goods)		
Ashwin Gupta (HUF)	-	10,00,000.00
Ganesh Laxmi Tradelink LLP	-	66,131.00
Loans: Other than related parties (Unsecured, considered good)		
Shahlon Silk Industries Ltd. (Formerly Shahlon Silk Industries Pvt. Ltd.)	25,49,931.00	30,59,917.00
Ganesh Laxmi Processors Pvt Ltd.	33,84,387.00	-
Advances: Other than related parties (Unsecured, considered good)		
Temple Infrastructure Pvt Ltd	-	50,000.00
Total	**59,34,318.00**	**41,76,048.00**

Note 10 : Other Current Assets

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Basudev Distributors (P) Ltd	-	7,63,212.00
Oscar Retailers Limited	4,65,000.00	-
Total	**4,65,000.00**	**7,63,212.00**

Note 11 : Revenue from Operation

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Interest Income	5,51,465.00	4,14,493.00
Dividend Income	12,55,048.50	-
Total	**18,06,513.50**	**4,14,493.00**

Note 12 : Other Income

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Interest on Income Tax Refund	-	434.00
Miscellanous Income	-	2,663.00
Total	-	**3,097.00**

Note 13 : Employee Benefit Expenses

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Salary	24,000.00	-
Total	**24,000.00**	-

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★Chartered Accountant★ KOLKATA

RICHIE CREDIT & FINANCE PVT. LTD.

Shweta.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 14 : Other Expenses

Particulars	31 March, 2019 Amount in ₹	31 March, 2018 Amount in ₹
Accounting Charges	25,000.00	25,000.00
Audit Fees	20,000.00	10,000.00
Professional Charges	31,860.00	-
Legal Expenses	9,800.00	-
Professional Tax	7,500.00	-
ROC Filing Fees	7,600.00	4,200.00
Credit Rating Charges	29,500.00	-
Advertisement Expense	8,379.00	-
Bank Charges	1,757.00	246.00
Postage & Stamp	2,337.00	1,945.00
Printing & Stationary	2,868.00	2,190.00
Office Expenses	16,327.00	15,020.00
General Expenses	24,929.00	22,253.00
Travelling & Conveyance	15,523.00	17,625.00
Additional ROC Filing Fees	300.00	2,400.00
Demat charges	5,665.39	2,531.21
Total	**2,09,345.39**	**1,03,410.21**

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Notes forming part of the financial statements

Note 15 : Summary of Significant Accounting Policies

15.1 CORPORATE INFORMATION:

Richie Credit & Finance Private Limited is a private company domiciled in India and incorporated under the Companies Act.The company is Non Banking Financial Company and is registered with the Reserve Bank of India under section 45-IA of Reserve Bank of India Act,1934, vide Registration No. B-05.06989 dated 24.06.2014.

15.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on accrual basis under the historical cost convention except stated otherwise.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except stated otherwise.

15.3 SIGNIFICANT ACCOUNTING POLICIES:

15.3.1 Use of Accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results materialise.

15.3.2 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest:
Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

15.3.3 Investments:

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

The cost of investments comprises acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

15.3.4 Borrowing Cost:

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds by the company to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss and that attributable to the acquisition and construction of qualifying assets is added to the cost, up to the date when such assets are ready for their intended use.

15.3.5 Earnings per share:

Basic Earnings per share are calculated by dividing the net profit /loss for the period attributable to equity shareholders (after deduction of taxes and preference dividend, if any) by the weighted average number of equity shares outstanding during the year.Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15.3.6 Provisions:

A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
The Company makes provisions of on Standard Assets in accordance with the RBI Guidelines.

15.3.7 Contingent Liabilities & Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The company does not recognise the contingent liability but discloses its existence in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

15.3.8 Taxes on Income:

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the year and reversal of timing differences for the earlier years. Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation or carry forward losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidences that they can be realised against future taxable profits. At each reporting date, the company re-assesses unrecognised deferred tax assets of earlier years and recognizes it to the extent that it has become reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

15.3.9 Dues to Small Scale Industrial undertaking as on the Balance Sheet date is Nil (Nil) based on the information received by the company.

15.3.10 The company has not received any intimation from its vendors regarding their status under the Micro, Small and Medium Enterprises Development Act,2006 and hence disclosures, if any, required under the said Act have not been made.

15.3.11 The figures of previous year are not comparable with figures of the current year, as the current year figures are amalgamated figures. The previous years figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

15.3.12 As the Company's business activity primarily falls within a single business segment which constitutes Non Banking Financial Activity, there are no additional disclosures to be provided under Accounting Standard 17 'Segment Reporting'. The Company operates primarily in India and there is no other significant geographical segment.

15.3.13 Special statutory reserve has been provided ₹2,97,125/-@ 20% of profit after tax as per RBI Act, 1934

15.3.14 Information as required in terms of Paragraph 18 of Non Systematically Important Non-Deposit taking Company (Reserve Bank) Directions,2016 is enclosed as Annexure.

15.3.15 Related Party Disclosures:

Related Party Disclosures (As Identified by the Management) in accordance with the Accounting Standard 18 pertaining to "Related Party Disclosure" issued by the ICAI:

Name of Related Party	Description of Relationship	Nature of Transaction	FY	Amount of Transaction in Rs.	Closing Balance in Rs.
Ashwin Gupta	Director	Repayment of Loan Taken	2018-19	55,000	-
Kavita Gupta	Relative of Director	Repayment of Loan Taken	2018-19	5,000	-
Ashwin Gupta(HUF)	Enterprise over which Key Managerial Personnel and /or their relatives have significant influence.	Loan Given	2018-19	4,00,000	-
		Loan Given received back	2018-19	10,00,000	-
Ganesh Laxmi Tradelink LLP		Loan Given received back	2018-19	66,131	-

15.3.16 **<u>Note on Amalgamation</u>**

a. The Hon'ble National Company Law Tribunal, Kolkata Bench vide its order Dated 24th January, 2019, in the matter of Company Petition No 1449/KB of 2018 connected with Company Application No 799/KB of 2018 has sanctioned the Scheme of amalgamation of Ghanshyam Distributors Private Limited (Transferor Company No.1), Paramjyoti Vinimay Private Limited (Transferor Company No. 2) and Shivalik Vinimay Private Limited (Transferor Company No. 3) with the Company pursuant to Sections 230 to 232 of the Companies Act,2013

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL ★Chartered Accountant★ KOLKATA

RICHIE CREDIT & FINANCE PVT. LTD.

Director

b. The Transferor Companies and and Transferee Company repectively have respectively filed INC 28 on 19.02.2019 with the Registrar of Companies, Wes Bengal, Ministry of Corporate Affairs for registering the order passed by the Hon'ble National Company Law Tribunal, Kolkata Bench.

c. As per the Scheme of Amalgamation all the Assets and the Liabilities of the erstwhile Transferor Companies will stand transferred and vested with the Company as on and from 01.04.2018, being the TRANSFER DATE.

d. The company has recorded in its books all the Assets and the Liabilities of the erstwhile Transferor Companies as on the TRANSFER DATE by booking them on one to one basis.

e. The TRANSFEREE COMPANY is taking appropriate steps for registering in its name all the assets that are registered in the name of erstwhile Transferor Companies.

f. The accounting for Amalgamation is being done on the basis of Pooling of Interest Methord as per and in the manner provided in Accounting Standard AS-14.

g. 9,44,550 equity shares of Rs. 10/- each held by Ghanshyam Distributors Private Limited (Transferor Company No.1) , 8,27,300 equity shares of Rs. 10/- each held by Paramjyoti Vinimay Private Limited (Transferor Company No. 2) and 10,58,000 equity shares of Rs. 10/- each held by Shivalik Vinimay Private Limited (Transferor Company No. 3) in Richie Credit and Finance Pvt Ltd (Transferee Company) has been cancelled being cross /inter holding of shares, as per the Scheme of Amalgamation.

h. Shares were not allotted to the members of Ghanshyam Distributors Private Limited and Shivalik Vinimay Private Limited as the shareholders of these 2 Transferor Companies were Transferor Companies themselves and Transferee Company."

i. As per the scheme of Amalgamation, the company has alloted 1,02,000/- equity shares of Rs.10/- each to the erstwhile members of Paramjyoti Vinimay Private Limited on 22.04.2019. One Equity Shares of Rs.10/- each credited as fully paid-up in the Transferee Company for every Five Equity Shares of Rs.10/- each fully paid-up held by members in Paramjyoti Vinimay Private Limited.

j. As per the scheme of Amalgamation, the Authorised Capital of the Transferor Companies is transferred to and amalgamated with the authorized share capital of the Transferee Company.

SN	Name of the Company	Authorised Capital (in Rs.)
i)	Richie Credit and Finance Pvt Ltd (Transferee Company)	285,00,000
ii)	Ghanshyam Distributors Private Limited (Transferor Company No.1)	7,00,000
iii)	Paramjyoti Vinimay Private Limited (Transferor Company No. 2)	51,00,000
iv)	Shivalik Vinimay Private Limited (Transferor Company No. 3)	8,00,000
	Total	**351,00,000**

k. **Calculation of Capital reserve**

Purchase Consideration	34,33,340
Net Assets, Liabilities & Reserves of Transferor Companies	65,10,000
Gross Capital Reserve	30,76,660
Add: Gain on Share Capital Cancelled pursuant to amalgamation	141,49,250
Add: Gain on Investment in shares of Transferor companies	10,03,340
Total	182,29,250

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

Details of Share Allotted

Particulars	1*	2*	3*	Total
Paid up Capital (Rs.)	6,50,000	51,00,000	7,60,000	65,10,000
Face Value (Rs.)	10	10	10	10
No. of shares	65,000	5,10,000	76,000	6,51,000
Less Cross Holding (No. of Shares)	65,000	0	76,000	1,41,000
Net Capital	-	5,10,000	-	5,10,000
Swap Ratio	5 FOR 3	1 FOR 5	1 FOR 5	-
No. of Shares Alloted.	-	1,02,000	-	1,02,000

Details of Transferor Companies

Particulars	1*	2*	3*	Total
Assets	56,31,997	50,30,633	67,28,098	173,90,728
Liabilities	60,900	1,30,900	60,900	2,52,700
Networth	55,71,097	48,99,733	66,67,198	171,38,028

SN	Name of the Company
1	Ghanshyam Distributors Private Limited
2	Paramjyoti Vinimay Private Limited
3	Shivalik Vinimay Private Limited

I. The Board of Directors of the Company allotted shares to the shareholders of erstwhile Transferor Company(ies), on 22.04.2019 after filing INC 28 based on the list of shareholders furnished by the Transferor Companies , and has considered the same under Share Capital instead of showing it under Share Capital Suspense, since the transfer date was 01.04.2018.

Signed in terms of my attached report of even date.

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

Ayush Agarwal
Chartered Accountant
Membership No.: 067712
UDIN: 19067712AAAAAW9636

Place: Kolkata
Dated : The 3rd day of Sept , 2019.

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Schedule forming part of the Accounts as on 31st. March, 2019.

ANNEXURE

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
[as required in terms of Paragraph 18 of Non Systematically Important Non-Deposit taking Company (Reserve Bank) Directions,2016]

(Rs. In lakhs)

Particulars	Amount Outstanding	Amount Overdue
Liabilities Side :-		
1 Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures:	NIL	NIL
Secured		
Unsecured		
(Other than falling within the meaning public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate Loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposit*	NIL	NIL
(g) Other Loans (unsecured loan)	1.75	NIL
* Please see Note 1 Below.		
2 Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):	NIL	NIL
(a) In the form of Unsecured debentures		
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
(c) Other public deposits*		
* Please see Note 1 Below.		

Assets Side :-	Amount Outstanding
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a) Secured	NIL
(b) Unsecured	59.34
4 Break-up of Leased Assets and Stock on hire and other assets counting towards AFC activities :	
(i) Lease assets Including lease rentals under sundry Debtors :	NIL
(a) Financial Lease	
(b) Operating Lease	
(ii) Stock on hire including hire charges Under sundry debtors :	NIL
(a) Assets on hire	
(b) Repossessed Assets	
(iii) Other loans counting towards AFC activities :	NIL
(a) Loans where assets have been repossessed	
(b) Loans other than (a) above.	

AYUSH AGARWAL ★ KOLKATA ★ Chartered Accountant

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Director

Contd..2.

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Schedule forming part of the Accounts as on 31st. March, 2019.

		Amount Outstanding
5	**Break-up of Investments :**	
	Current Investments :	
	1 Quoted :	
	(i) Shares	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others [Please specify]	NIL
	2 Unquoted :	
	(I) Shares	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others [Please specify]	NIL
	Long Term Investments:	
	1 Quoted :	
	(I) Shares	
	(a) Equity	1338.14
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others [Please specify]	NIL
	2 Unquoted :	
	(I) Shares	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and Bonds	NIL
	(iii) Units of Mutual Funds	NIL
	(iv) Government Securities	NIL
	(v) Others [Please specify]	NIL
	TOTAL:	1338.14

AYUSH AGARWAL ★Chartered Accountant★ KOLKATA

6 **Borrower group-wise classification of assets financed as in (3) and (4) above.**

Please see Note 2 below

Category		Amount net of Provisions		
		Secured	**Unsecured**	**Total**
1	Related Parties **			
(a)	Subsidiaries	NIL	NIL	NIL
(b)	Companies in the same group	NIL	NIL	NIL
(c)	Other related parties	NIL	NIL	NIL
2	Other than related Parties	NIL	59.34	59.34
	Total	NIL	59.34	59.34

RICHIE CREDIT & FINANCE PVT. LTD. Director

RICHIE CREDIT & FINANCE PVT. LTD. Director

Contd..3..

RICHIE CREDIT & FINANCE PRIVATE LIMITED

Schedule forming part of the Accounts as on 31st March, 2019.

7 **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :**

Please see Note 3 Below.

	Category	Market Value/Break up Or Fair Value or NAV	Book Value (Net of Provision)
1	Related Parties: **		
(a)	Subsidiaries	N I L	N I L
(b)	Companies in the same group	N I L	N I L
(c)	Other related parties	N I L	N I L
2	Other than related parties	2,497.89	1338.14
	Total:	2497.89	1338.14

8 **Other Information :**

	Particulars	Amount
(i)	Gross Non-Performing Assets	
(a)	Related Parties	N I L
(b)	Other than related parties	N I L
(ii)	Net Non-Performing Assets	
(a)	Related Parties	N I L
(b)	Other than related parties	N I L
(iii)	Assets acquired in satisfaction of debt	N I L

** As per Accounting Standard of ICAI [Please see Note 3]

Notes:

1 As defined in point (xix) of paragraph 3 of chapter - 2 of these Directions.

2 As defined in point (xix) of paragraph 3 of chapter - 2 of these Directions.

3 All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investment shall be disclosed irrespective of whether they are classified as long term or current in column (5) above.

RICHIE CREDIT & FINANCE PVT. LTD.

Director

RICHIE CREDIT & FINANCE PVT. LTD.

Director

AYUSH AGARWAL KOLKATA Chartered Accountant