

To,
The Board of Directors,
Gallantt Metal Limited,
"GALLANTT HOUSE",
I-7, Jangpura Extension,
New Delhi - 110014.

Independent Auditors' Certificate on Pre-Scheme net worth of Gallantt Metal Limited ("the Company")

1. This certificate is issued in accordance with the request letter dated January 18, 2020 of Gallantt Metal Limited, having its registered office at "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi - 110014 and for the purposes of Scheme of Amalgamation and Slump Sale of Gallantt Ispat Limited ("GIL" or "Transferor Companies No. 1"), AAR Commercial Company Limited ("AAR" or "Transferor Companies No. 2"), Hipoline Commerce Private Limited ("HIPOLINE" or "Transferor Companies No. 3"), Lexi Exports Private Limited ("LEXI" or "Transferor Companies No. 4") and Richie Credit and Finance Private Limited ("RICHE" or "Transferor Companies No. 5") with Gallantt Metal Limited ("GML" or "Transferee Company") AND their respective Shareholders and Creditors (hereinafter referred to as "the Scheme").
2. A statement containing details of pre-scheme net worth as at 31st March, 2019, duly signed by the authorized signatory of the Company ("the Statement") is annexed, which we have initialed for identification purposes only.

Management's Responsibility

3. The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company's Management is responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the Stock Exchanges and provide them with all relevant information.
5. The pre-scheme net worth of the Company has been traced from and calculated based on the Audited Financial Statements of the Company for the year ended 31st March, 2019. The Computation of Pre-Scheme Net-worth is arithmetically correct.

Auditor's Responsibility

6. It is our responsibility to provide reasonable assurance that the pre-scheme net worth of the Company as referred to in the Statement have been correctly extracted from the Audited Financial Statements for the year ended 31st March, 2019 prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The



Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. 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

9. Based on the information and explanations given to us and our examinations and we are of the opinion that the amounts in the Statement in respect of pre-scheme net worth in terms of section 2(57) of the Companies Act, 2013, of the Company has been correctly extracted from the Audited Financial Statements for the year ended 31st March, 2019 prepared in accordance with Ind AS.

Restriction on Use

10. This Certificate is provided at the specific request of the Company in connection with the above Scheme and for the purpose of onward submission to the Stock Exchanges and/or other regulatory authorities including Securities and Exchange Board of India. Our certificate should not to be used for any other purpose or by any person other than the addressees of this report. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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


(A.K. Khetawat)
Partner
Membership No.: 052751
UDIN No. 20052751AAAAAQ8484
Place: Kolkata
Date: February 11, 2020



A Statement of Net Worth of GALLANTT METAL LIMITED ("the Company")

1. Net Worth: - The computation of pre-scheme net-worth of the Company has been reproduced below:

(Rs. In Lakh)

Particulars	Pre-Scheme Net Worth as on 31 st March, 2019
Equity Share Capital	8,132.23
Other Equity	40,015.23
Total	48,147.46
Less: Amalgamation Reserve	-
Less: Statutory Reserve	-
Less: Capital Reserve	-
Less: Other Comprehensive Income	50.50
NET WORTH	48,096.96

Notes:

The figures have been arrived on the basis of figures extracted from audited financial statements for the year ended 31st March, 2019 prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

For the purpose of above calculation, following definition of "net worth" as defined in Section 2(57) of the Companies Act, 2013, as amended, has been considered:

"Net worth" means the aggregate value of the paid up share capital and all reserves created out of profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation;

For **GALLANTT METAL LIMITED**
GALLANTT METAL LIMITED

ABanerji

Company Secretary

Arnab Banerji

CS & Compliance Officer



Place: Kolkata

Date: 11.02.2020

GALLANTT METAL LIMITED

Office : Ward-10 BC, Plot No. 123, Ground Floor, Gandhidham, Kutch, Gujrat-370 201, Tel. : 02836-395626 / 395636 Fax : 02836-235787

Works : Near Toll Gate Village - Samakhlyali, Taluka-Bhachau, Kutch - Gujrat, Tel. : 91 98 795 60878, Fax : +91 2837 283690

Registered Office : "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi -110 014

Telefax : 011-45048767, E-mail : gml@gallantt.com, Website : www.gallantt.com

Corporate Identification No. : L27109DL2005PLC350524

To,
The Board of Directors,
Gallantt Metal Limited,
"GALLANTT HOUSE",
I-7, Jangpura Extension,
New Delhi - 110014.

Independent Auditors' Certificate on Post-Scheme Provisional Net Worth of Gallantt Metal Limited ("the Company")

1. This certificate is issued in accordance with the request letter dated January 18, 2020 of Gallantt Metal Limited, having its registered office at "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi - 110014 and for the purposes of Scheme of Amalgamation and Slump Sale of Gallantt Ispat Limited ("GIL" or "Transferor Companies No. 1"), AAR Commercial Company Limited ("AAR" or "Transferor Companies No. 2"), Hipoline Commerce Private Limited ("HIPOLINE" or "Transferor Companies No. 3"), Lexi Exports Private Limited ("LEXI" or "Transferor Companies No. 4") and Richie Credit and Finance Private Limited ("RICHIE" or "Transferor Companies No. 5") with Gallantt Metal Limited ("GML" or "Transferee Company") AND their respective Shareholders and Creditors (hereinafter referred to as "the Scheme").
2. A statement containing details of post-scheme provisional net worth as at 31st March, 2019, duly signed by the authorized signatory of the Company ("the Statement") is annexed, which we have initialed for identification purposes only.

Management's Responsibility

3. The accompanying Statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Company. The Company's Management is responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's Management is also responsible for ensuring that the Company complies with the requirements of the Stock Exchanges and provide them with all relevant information.
5. The post-scheme net worth of the Company is calculated by the Management after giving effect to the proposed accounting treatment prescribed in the Clause 19 of the Scheme on the assumption that the Scheme would be approved by the National Company Law Tribunal ("NCLT").

Independent Auditor's Responsibility

6. Our responsibility is to provide a reasonable assurance whether:
 - the amount in the Statement that form part of the post-Scheme provisional net worth computation have been extracted from the Audited Financial Statements for the year ended 31st March, 2019 prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS) and correctly determined considering the proposed accounting treatment and Share Entitlement Ratio specified in the Scheme and as per Independent Valuer's report; and



- the computation of the post-Scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
7. We have performed the following procedures in respect of the Statement:
- We have been provided by the Company's management with a certified true copy of the Scheme, proposed to be filed by the Company with the National Company Law Tribunal and other regulatory authorities including Securities and Exchange Board of India and Stock Exchanges and we have read the same and noted the impact of the proposed accounting treatment mentioned in Clause 19 of the said Scheme and we have not performed any other procedures in this regard;
 - The amounts in the computation of the post-scheme provisional net worth of the Company has been verified after considering the impact of the proposed accounting treatment mentioned in Clause 19 of the Scheme and based on the Share Entitlement Ratio as per the said Scheme and Independent Valuer's Report; and
 - We have verified that the computation of post-Scheme provisional net worth is arithmetically correct and is in accordance with the basis of computation set out in the Statement.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. 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

10. Based on the information and explanations given to us and our examinations and we are of the opinion that the amounts in the Statement in respect of post-scheme provisional net worth computation have been extracted from Audited Financial Statements for the year ended 31st March, 2019 prepared in accordance with Ind AS and correctly determined considering the proposed accounting treatment and Share Entitlement Ratio specified in the Scheme and as per independent valuer's report. Further, the computation of the post -Scheme provisional net worth as defined in section 2(57) of the Companies Act, 2013 is arithmetically correct and is in accordance with the basis of computation set out in the statement.

Restriction on Use

11. This Certificate is provided at the specific request of the Company in connection with the above Scheme and for the purpose of onward submission to the Stock Exchanges and/or other regulatory authorities including Securities and Exchange Board of India. Our certificate should not to be used for any other purpose or by any person other than the addressees of this report. Accordingly, we do not



accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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



(A.K. Khetawat)
Partner
Membership No.: 052751
UDIN No. 20052751AAAAAS2235
Place: Kolkata
Date: February 11, 2020



Encl: As above.

A Statement of Net Worth of **GALLANTT METAL LIMITED** ("the Company")

1. Net Worth: - The computation of post - scheme net-worth of the Company has been reproduced below:

(Rs. In Lakh)

Particulars	Post-Scheme Net Worth as on 31 st March, 2019
Equity Share Capital	24,128.09
General Reserve	4,998.82
Retained Earnings	68,033.20
Securities Premium	46,090.07
Capital Reserve	1,491.48
Statutory Reserve	17.66
NET WORTH	1,44,759.32

Notes:

The figures have been arrived on the basis of figures extracted from audited financial statements for the year ended 31st March, 2019 prepared in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

For the purpose of above calculation, following definition of "net worth" as defined in Section 2(57) of the Companies Act, 2013, as amended, has been considered:

"Net worth" means the aggregate value of the paid up share capital and all reserves created out of profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation;

For **GALLANTT METAL LIMITED**
GALLANTT METAL LIMITED



Company Secretary

Arnab Banerji

CS & Compliance Officer



Place: Kolkata

Date: 11.02.2020

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