

ANNUAL REPORT  
2008 - 2009

**GALANIT**  
METAL LIMITED





## Chairman's Message

in full capacity. The liquidity crunch was so severe that the user industries particularly automobile, construction and infrastructure sectors were not able to sustain their operations. Consequently, the Company had to cut production at the existing operations. Thereafter the Company quickly adopted strategy of reducing the cost and finding new customers and market to restore the normal operations. Finally, the Company reported a turnover of Rs. 44,111.22 Lacs and the Profit before Tax and Profit after Tax, remains Rs. 2050.05 Lacs and Rs. 1413.67 Lacs respectively which is really remarkable in spite of disruption in production and global financial slowdown.

### Future Outlook

India's per capita steel consumption continued to be low at 46 Kgs compared to global average of 198 Kgs in 2008. The National Steel Policy aspires to double the rural per capita steel consumption to 4 Kgs per person in the next few years. This will present an attraction opportunity for the industry like Gallantt to expand the existing capacities and create further green field capacities, considering that around 70% of the Indian population is rural.

Gallantt today is a well balanced, tightly managed and totally competitive organization and in a short span of operations it has established a very good market within the state of Gujarat, Maharashtra and Rajasthan. As the Indian steel demand started picking up from the fourth quarter of the fiscal year 2008-09 following the various monetary and fiscal initiatives announced by the Reserve Bank of India and Central Government, we at Gallantt expect a very good market within and outside India.

### Conclusion

On behalf of your Board, I take this opportunity to convey their sincere appreciation to all the Company's employees and associates as well as to all shareowners and investors for their continued cooperation and support.

I would also like to convey my personal gratitude to my colleagues on the Board for their guidance, support and cooperation.

Thanking you,

Yours truly,

Chandra Prakash Agarwal

Date : 11th August, 2009

Place : Kolkata

*Dear Shareowners,*

It is my pleasure to place before you the fifth Annual Report of your Company for the financial year 2008-09. I humbly submit that during the year it was a great challenge to us to sustain the growth both in business and profitability of the Company, particularly, in the backdrop of global slowdown and its impact on Indian economy particularly on Steel Industry. I am happy to address you with a good performance by your Company during the year 2008-09.

### Economic and Steel Scenario

The year was an eventful year for the World and Indian economy. Uncertainties, volatility and major bank failures dominated global economic scenario during 2008-09, resulting in steep fall in global real GDP and affecting sustained growth of emerging market economies. GDP growth forecasts have been repeatedly down graded to 6% -7% for 2008-09 and around 6% for 2009-10.

The Global as well as Indian Steel Industry witnessed divergent trends in 2008-09; while the first half was the buoyant with steel prices and demand touching all time high on account of expanding oil and gas sector, large infrastructure spend and higher disposable incomes triggering demand in housing / consumer durables / auto sectors, the Second Half was muted as the steel demand contracted. Indian crude oil production registered a growth of 1.2% from 53.9 Mn tones in 2007-08 to 54.5 Mn tones in 2008-09. The finished steel production for the 2008-09 registered a growth of 0.6% over 2007-08. Finished steel consumption growth slackened significantly in the third quarter of 2008-09 due to the domino effect of the global financial crisis on the Indian financial market.

### Your Company's Performance

First Half of the fiscal year 2008-09 remained remarkable for your Company. During the first six months Company has reported a turnover of Rs. 28,628.18 Lacs and Net Profit of 1,676.32 Lacs which is respectively higher by 72% and 90% in comparison to the turnover and net profit of corresponding turnover and net profit of the first six months of Fiscal Year 2007-08. When the global financial crisis hit the Indian economy in September, 2008, the Company was operating its plants

## **Corporate Information**

### **Board of Directors**

Mr. Chandra Prakash Agarwal  
*Chairman & Managing Director*

Mr. Dinesh R. Agarwal  
*Wholetime Director*

Mr. Nitin M. Kandoi  
*Wholetime Director*

Mr. Maheshkumar Hukmichand Gupta  
*Wholetime Director*

Mr. Rajesh Kumar Jain  
*Non-Executive Independent Director*

Mr. Jyotirindra Nath Dey  
*Non-Executive Independent Director*

Mr. Manish Pukhraj Jajoo  
*Non-Executive Independent Director*

Mr. Virendra Kumar Keshari  
*Non-Executive Independent Director*

### **Auditors**

A. K. Meharia & Associates  
*Chartered Accountants*

### **Company Secretary**

Mr. Rajesh Upadhyaya

### **Registered Office**

"ASHYANA"  
29C, Bentinck Street  
Kolkata - 700 069  
Telefax : (033) 2231 2429  
Website : www.gallantt.com

### **Works**

Survey No. 175/1  
Village : Samakhyali  
Taluka : Bachau  
District : Kutch, Gujarat

### **Bankers**

State Bank of India  
Bank of Baroda  
State Bank of Indore  
State Bank of Hyderabad  
State Bank of Mysore  
UCO Bank  
State Bank of Travancore  
State Bank of Patiala  
ICICI Bank  
HDFC Bank

### **Equity Shares Listed on**

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

### **Registrar & Share Transfer Agent**

Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, B. R. B. Basu Road, Kolkata - 700 001  
Phone : (033) 2235 2234/3070/7270/7271  
Fax : (033) 2215 6823

### **Audit Committee**

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

### **Share Transfer and Shareholders'/Investors' Grievance Committee**

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

### **Remuneration Committee**

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

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## Notice

Notice is hereby given that the Fifth Annual General Meeting of GALLANTT METAL LIMITED will be held on Wednesday, 23rd September, 2009 at 12.00 Noon at - EZCC, 'Aikatan', IA - 290, Sector III, Salt Lake City, Kolkata - 700 097 to transact the following business :

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as on 31st March, 2009, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Jyotirindra Nath Dey, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT M/s. A. K. Meharia & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

### SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Manish Pukhraj Jajoo, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."
5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Mr. Maheshkumar Hukmichand Gupta, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."
6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act,

1956, or any statutory modification(s) or re-enactment thereof, Mr. Virendra Kumar Keshari, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269 & 309, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to all such sanctions as may be found necessary, approval of the Company be and is hereby given to the appointment of Mr. Maheshkumar Hukmichand Gupta as a Whole-time Director of the Company for a period of 5 years effective from 24th November, 2008 on the terms and conditions contained in the agreement entered into with Mr. Maheshkumar Hukmichand Gupta, a copy of which is placed before the meeting and as set out in the explanatory statement annexed hereto, with the liberty and power to the Board of Directors to alter and vary from time to time the amount and the type of perquisites to be provided to Mr. Maheshkumar Hukmichand Gupta, so as not to exceed the remuneration limits as specified to Schedule XIII of the Act or any amendments thereto."

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from 17th September, 2009 to 23rd September, 2009 (both days inclusive) in connection with the Annual General Meeting.
3. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Businesses at item No. 4, 5, 6 & 7 of the notice is annexed hereto.
4. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.

**Registered Office :**  
"ASHYANA"  
29C, Bentinck Street  
Kolkata - 700 069  
Date : 11th August , 2009

By Order of the Board  
  
**Rajesh Upadhyaya**  
Company Secretary

**EXPLANATORY STATEMENT****Item No. 4, 5 & 6**

Mr. Manish Pukhraj Jajoo and Mr. Maheshkumar Hukmichand Gupta were appointed as Additional Directors of the Company with effect from November 24, 2008. Further, Mr. Virendra Kumar Keshari was appointed as an Additional Director with effect from 1st August, 2009. As per the provisions of Section 260 of the Companies Act, 1956 and as per the Article 102 of Articles of Association of the Company Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari will be holding office as Director only up to the date of this meeting. The Company has received due notice under section 257(1) of the Companies Act, 1956 along with requisite deposit from three Members separately signifying their intention to propose Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari respectively, for the office of Directors, at the ensuing Annual General Meeting. Board considers that the Company will benefit from the association of Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari and recommends the adoption of resolutions proposed under these items.

Profile of Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari as required by the Corporate Governance Code (Clause 49 of the Listing Agreement), is given in the report on Corporate Governance. Mr. Manish Pukhraj Jajoo holds 5,000 Equity Shares in the Company. Mr. Virendra Kumar Keshari and Mr. Maheshkumar Hukmichand Gupta do not hold any Shares in the Company.

None of the Directors of the Company except Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari are interested in this resolution. Mr. Manish Pukhraj Jajoo, Mr. Maheshkumar Hukmichand Gupta and Mr. Virendra Kumar Keshari may, however, be deemed to be interested in their respective proposed resolutions for appointment.

**Item No. 7**

At their meeting held on 24th November, 2008 the Board of Directors of the Company appointed Mr. Maheshkumar Hukmichand Gupta as a Whole-time Director of the Company for a period of five years effective from 24th November, 2008. Accordingly, the Board of Directors has determined the remuneration payable to Mr. Maheshkumar Hukmichand Gupta 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 269, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Mr. Maheshkumar Hukmichand Gupta is appointed as the Whole-time Director of the Company upon the terms of remuneration given below:

**Salary**

At the rate of Rs. 19,000 (Rupees Nineteen Thousands only) per month from 24th day of November 2008 in the scale of Rs. 19,000 - Rs. 2,000 - Rs. 50,000 with provision for annual increment of Rs. 2,000 from the beginning of the Financial Year 2009-2010.

**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. 3,00,000 in a financial year. For the purpose of calculating the ceiling, the perquisites shall be evaluated as per Income Tax Rules, 1961.

**Others**

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

**Commission**

No commission shall be paid.

**Minimum Remuneration**

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

**Sitting Fees**

The Wholetime Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof from the date of his appointment.

**Gratuity and encashment of leave**

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

Mr. Maheshkumar Hukmichand Gupta is a Commerce graduate having an overall experience of over 22 years including 5 years in steel industry. The remuneration proposed to be paid to Mr. Maheshkumar Hukmichand Gupta is justified having regard to the nature of services required from him and is commensurate with his knowledge and experience in the industry. He holds directorship in the following Companies :

(a) Ganesh Laxmi Processors Private Limited

The Board recommends adoption of the resolution.

Mr. Maheshkumar Hukmichand Gupta may be interested or concerned in the said resolution. None of the other Directors are interested or concerned in the aforesaid resolution.

In compliance with the provisions of Section 309 of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

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

The Agreement entered into with Mr. Maheshkumar Hukmichand Gupta in terms of the Ordinary 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 Fifth Annual General Meeting between 12.00 Noon and 2.00 P.M. and will also be available for inspection from 12.00 Noon at the place and date of the Meeting.

**Registered Office :**

"ASHYANA"  
29C, Bentinck Street  
Kolkata - 700 069  
Date : 11th August , 2009

By Order of the Board

**Rajesh Upadhyaya**  
Company Secretary

# Directors' Report

## *To The Members*

Your Directors have pleasure in presenting the 5th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2009.

### 1. WORKING RESULTS

(Rs. in Lacs)

<b>Financial Results</b>	<b>2009</b>	<b>2008</b>
Income from Operation	44,111.22	38846.79
Other Income	236.79	140.55
Profit before Interest, Depreciation and Tax	5163.53	6578.82
Less : Interest	1816.94	1691.39
Profit before Depreciation & Tax	3346.59	4887.43
Less : Depreciation (including amortization)	1296.53	1211.33
Profit before Tax	2050.06	3676.10
Provision for Tax :		
- Current	232.28	416.50
- Fringe Benefit tax	5.50	5.08
- Deferred	398.60	175.63
<b>Profit after Tax</b>	<b>1413.67</b>	<b>3078.90</b>

### 2. PERFORMANCE REVIEW

During the year your Company has reported a turnover of Rs. 44,111.22 Lacs. The operating profit stood at Rs. 5163.52 Lacs. The Profit before Tax and Profit after Tax remains Rs. 2050.05 Lacs and Rs. 1413.67 Lacs respectively. Yours Directors are pleased to report that irrespective of uncertainties and volatility in Global and Indian economy and pressure of recession and financial crisis equally affecting the performance of the Company, the year under report has indeed been an excellent one for the Company in terms of both financial and operational performance.

### 3. DIVIDEND

In view of conserving resources of the Company for future plan and to strengthen its fund and liquid position, Directors are unable to recommend any dividend.

### 4. DIRECTORS' RESPONSIBILITY STATEMENT

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

- The applicable accounting standards have been followed in the preparation of Annual Accounts.
- That the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true

and fair view of the state of affairs of the Company as on 31st March, 2009.

- That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Annual Accounts have been prepared on a going concern basis.

### 5. CORPORATE GOVERNANCE

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

### 6. PREFERENTIAL ISSUE OF EQUITY SHARES

During the year in terms of your approval under Section 81(1A) of the Companies Act, 1956 at the Extraordinary

General Meeting held on 12th November, 2008 through Special Resolution Company has concluded Preferential Issue of Equity Shares and allotted 50,00,000 Equity Shares on 24th November, 2008 to Elara India Opportunities Fund Limited (Foreign Institutional Investor) at a price of Rs. 31/- per Equity Shares determined as per the provisions of the Companies Act, 1956, Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and Securities and Exchange Board of India (Foreign Institutional Investors) regulations, 1995.

#### **7. 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 2009-10. The ISIN No. of the Company is INE297H01019.

#### **8. FIXED DEPOSITS**

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

#### **9. PARTICULARS OF EMPLOYEES**

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

#### **10. AUDITORS & AUDITORS' REPORT**

M/s. A. K. Meharia & Associates, Chartered Accountants, statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them that their reappointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956.

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

#### **11. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO**

The particulars as prescribed under sub-section 1(e) of Section 217 of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of

Directors) Rules, 1988, is annexed hereto and form part of the report.

#### **12. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING**

The industrial relations continued to be cordial. The Directors wish to place on record their appreciation for the contribution of the workers and officers of the Company at all levels.

Remarkable growth in the sales volume and profit margin irrespective of cut throat competition and global recession is the honest effort on the part of marketing personnel of your Company. They have rendered the best possible services to achieve a remarkable target.

#### **13. DIRECTORS**

During the year at their meeting held on 24th November, 2008 the Board of Directors of your Company has appointed Mr. Manish Pukhraj Jajoo and Mr. Maheshkumar Hukmichand Gupta as Additional Directors of the Company. At the same meeting of the Board Mr. Maheshkumar Hukmichand Gupta has been appointed as a Wholetime Director of the Company for a period of Five Years subject to the approval of the Shareholders at the General Meeting. Further, at the meeting held on 1st August, 2009 Mr. Virendra Kumar Keshari has been appointed as an Additional Director of the Company and at the same meeting Mr. Sushil Kumar Agrawal has resigned from the Board of the Company. The Committees of the Board of Directors of the Company was reconstituted as Mr. Sushil Kumar Agrawal resigned from the Board of Directors of the Company. Mr. Virendra Kumar Keshari has been introduced in the various Committees of the Board. Mr. Virendra Kumar Keshari has been appointed as the Chairman of the Audit Committee and is member in Remuneration Committee and Share Transfer and Shareholders'/Investors' Grievance Committee of the Board of Directors of the Company.

Mr. Jyotirindra Nath Dey, Director of your Company, retires from the Board by rotation and eligible for re-election.

#### **14. ACKNOWLEDGEMENT**

Your Directors wish to place on record their sincere thanks to the Shareholders, Customers, Suppliers, Bankers, the Central Government and the State Government agencies who, through their continued support and co-operation, have helped, as partners, in your Company's progress.

Place : Kolkata  
Date : 11th day of August, 2009

On behalf of the Board  
**Chandra Prakash Agrawal**  
Chairman

# Annexure to Directors' Report

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

## A. CONSERVATION OF ENERGY

- (a) **Energy Conservation Measures Taken** - Energy conservation continued to be an area of priority. Your Company accords highest priority for conservation of energy and necessary measures for optimizing energy consumption have been taken i.e., close and vigorously monitoring of various plants and equipments, adopting new and latest technology etc.
- (b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy** - Nil
- (c) **In respect of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods** - This has resulted in cost savings for the Company.
- (d) **Total energy consumption and energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the Schedule thereto :**

### FORM – A

#### Disclosure of Particulars with respect to conservation of energy

A. Power & Fuel Consumption	2008-09	2007-08
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Total Unit (in Lacs)	232.75	211.03
Amount (Rs. in Lacs)	1698.46	1337.64
Rate Per Unit (Rs.)	7.30	6.34
<b>(b) Own Generation</b>		
Total Units (in Lacs)	1215.16	1308.17
Amount (Rs. in Lacs)	5018.37	3798.32
Rate per Unit (Rs.)	4.13	2.90
<b>2. Coal</b>		
Quantity (M.T.)	168490	192104
Total Cost (Rs. in Lacs)	8670.40	7620.95
Average Rate (Rs. per M.T.)	5146	3967
<b>3. Furnace Oil</b>		
Quantity (K. Ltrs.)	182.458	245.630
Total Cost (Rs. in Lacs)	44.10	43.14
Average Rate (Rs. / K. Ltrs.)	24170	17563
<b>4. Light Diesel Oil</b>		
Quantity (K. Ltrs.)	7.00	48.74
Total Cost (Rs. in Lacs)	2.06	14.21
Average Rate (Rs. / K. Ltrs.)	29429	29155
<b>B. Consumption per unit of production</b>		
<b>1. Electricity (Unit/M.T.)</b>		
- Sponge Iron	85	72
- Rolling	94	92
- SMS (Furnace)	775	786
<b>2. Coal</b>		
- Sponge Iron (Kg/M.T.)	1177	1164
- Power Plant (Per 1000 KWH)	630	523

**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. The information on foreign exchange earnings and outgo is contained in Schedule T, point no. 7 (Notes on Accounts)

# Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

## BOARD OF DIRECTORS

### CORPORATE GOVERNANCE PHILOSOPHY

Corporate governance is a multi-faceted subject. An important theme of corporate governance deals with issues of accountability and fiduciary duty, essentially advocating the implementation of guidelines and mechanisms to ensure good behaviour and protect shareowners and other stakeholders. A good governance process provides transparency of corporate policies, strategies and the decision making process and also strengthens internal control systems and helps in building relationship with all stakeholders. Gallantt Metal Limited is committed to adopting the best global practices of Corporate Governance in its pursuit to achieve excellence in its operations. The Company makes its best endeavours to uphold and nurture these core values in all aspects of its operations.

### 1. SIZE AND COMPOSITION OF THE BOARD

The Board has strength of Eight Directors as on 31st March, 2009. The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. Our Board of Directors has Four Independent Directors.

During the financial year ended 31st March, 2009 Twelve meetings of the Board were held on 18th April, 2008, 26th June, 2008, 28th July, 2008, 13th August, 2008, 17th September, 2008, 1st October, 2008, 13th October, 2008, 30th October, 2008, 24th November, 2008, 30th January, 2009, 13th February, 2009 and 2nd March, 2009. The details regarding the attendance of Directors at the Board Meetings, Number of other Directorships and Committee positions held by them in other Companies as on 31st March, 2009 are given below :

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 12 meetings held during the year	No. of other Directorships	Committee Positions held	
					Chairman	Member
Mr. Chandra Prakash Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	12	2	Nil	Nil
Mr. Nitin M Kandoi Wholetime Director	Executive/ Promoter	No	8	1	Nil	Nil
Mr. Dinesh R. Agarwal Wholetime Director	Executive/ Promoter	No	8	Nil	Nil	Nil
Mr. Sushil Kumar Agrawal	Non-Executive/ Independent	Yes	11	1	Nil	Nil
Mr. Jyotirindra Nath Dey	Non-Executive Independent	Yes	12	1	1	2
Mr. Rajesh Kumar Jain	Non-Executive/ Independent	No	7	Nil	Nil	Nil
Mr. Maheshkumar H. Gupta Wholetime Director	Executive/ Promoter	No	2	Nil	Nil	Nil
Mr. Manish Pukhraj Jajoo	Non-Executive/ Independent	No	2	Nil	Nil	Nil

#### Notes :

- Mr. Sushil Kumar Agrawal, Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey and Mr. Manish Pukhraj Jajoo have been considered as Independent Directors as they do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, etc. which in judgment of the Board, may affect independence of their judgment. Further, Mr. Sushil Kumar Agrawal has resigned from the Directorship of the Company and Mr. Virendra Kumar Keshari has been introduced in the Board as an Non-executive Independent Director.

- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Share Transfer and Investors'/Shareholders' Grievance Committee and Remuneration Committee have been considered.
- The Company placed before the Board of Directors the annual operating plans, capital budgets, the information on recruitment and remuneration of senior officers just below the board level, performance and various other information, including those specified under Annexure I of the Listing Agreement from time to time.

**2. CHANGES IN COMPOSITION OF THE BOARD OF DIRECTORS SINCE LAST REPORT**

Mr. Manish Pukhraj Jajoo and Mr. Maheshkumar Hukmichand Gupta have been appointed as Additional Directors of the Company at Board Meeting on November 24, 2008. At the same meeting Mr. Maheshkumar Hukmichand Gupta has been appointed as a Wholetime Director of the Company. Mr. Sushil Kumar Agrawal resigned as Director effective from August 01, 2009 and Mr. Virendra Kumar Keshari has been appointed as a Non-Executive Independent Director on August 01, 2009.

**3. APPOINTMENT & REAPPOINTMENT OF DIRECTOR :**

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

(a)	Name of the Director	Mr. Jyotirindra Nath Dey
	Date of Birth	05.06.1937
	Date of Appointment	30.11.2005
	Qualifications	Electrical Engineer
	Experience	Mr. Jyotirindra Nath Dey is an electrical engineer having experience of over 39 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. Association of Consulting Engineering (I), Indian Society of Lighting Engineer, Arbitration Council of India, and many more.
	Directorship in other Companies	1. Concrete Credit Limited 2. Princeton Comtrade Private Limited 3. Saheli Goods Private Limited
	Membership/Chairmanship of Committees of the other public companies on which he is a Director	1. Concrete Credit Limited
(b)	Name of the Director	Mr. Maheshkumar Hukmichand Gupta
	Date of Birth	01.07.1958
	Date of Appointment	24.11.2008
	Qualifications	B. Com.
	Experience	He has overall experience of 22 years including 5 years in steel industry. He has vast experience of the industry, management, and banking and commerce. He would be looking after marketing, operations, accounts and liasioning of the Company.
	Directorship in other Companies	Ganesh Laxmi Processors Pvt. Ltd.
	Membership/Chairmanship of Committees of the other public companies on which he is a Director	Nil
(c)	Name of the Director	Mr. Manish Pukhraj Jajoo
	Date of Birth	11.09.1972
	Date of Appointment	24.11.2008
	Qualifications	B.Com., F.C.A., P.G.D.E.F.T. & F.E., D.I.S.A.(ICA)
	Experience	Mr. Manish Jajoo is a Chartered Accountant, and is partner in SSMU & Co. He has an experience of vast experience in the field of taxation, accounts, finance and Company Law matter.
	Directorship in other Companies	Nil
	Membership/Chairmanship of Committees of the other public companies on which he is a Director	Nil

## GALLANTT METAL LIMITED

(d) Name of the Director	Mr. Virendra Kumar Keshari
Date of Birth	07.05.1959
Date of Appointment	01.08.2009
Qualifications	B.Com., F.C.A.
Experience	Mr. Virendra Kumar Keshari is a Chartered Accountants, and is proprietor of V. K. Keshari & Co. , Chartered Accountants. He has an overall experience of over 17 years in the field of taxation, accounts, finance and Company Law matter.
Directorship in other Companies	<ol style="list-style-type: none"><li>1. Nakodar Finance Private Limited</li><li>2. Aniruddh Motor &amp; General Finance Private Limited</li><li>3. VNV Advisors Private Limited</li><li>4. VNV Consultants Private Limited</li><li>5. Sadhvawana Vinimay Private Limited</li><li>6. Mayur Tie-Up Private Limited</li><li>7. Sunflower Consultants Private Limited</li><li>8. Nilkanth Vyapaar Private Limited</li><li>9. Kantha Distributors Private Limited</li><li>10. Gram Bangla Resorts Private Limited</li></ol>
Membership/Chairmanship of Committees of the other public companies on which he is a Director	Nil

#### 4. CODE OF CONDUCT

The code of conduct in line with the provisions of Clause 49 of the Listing Agreement has been framed / adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. This Code forms an integral part of the Company's Governance Policy. The Code has been posted on the web site of the Company [www.gallantt.com](http://www.gallantt.com)

##### **Declaration affirming compliance of Code of Conduct**

A declaration by the Managing Director and CEO affirming compliance of Board members and Senior Management personnel to the Code is also annexed herewith.

##### **Declaration signed by the Managing Director & CEO**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2009.

Place : Kolkata  
Date : 11th August, 2009

For **Gallantt Metal Limited**  
Chandra Prakash Agarwal  
Managing Director & CEO

#### COMMITTEES OF THE BOARD

##### 5. AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the requirements of Section 292A of the Companies Act, 1956 and the terms of reference are in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

During the year ended 31st March, 2009, the Audit Committee comprised of Mr. Sushil Kumar Agrawal, an Independent Director, as the Chairman and Mr. Jyotirindra Nath Dey and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

Effective from August 01, 2009 Mr. Sushil Kumar Agrawal relinquished Chairmanship of the Audit Committee (as resigned from the Board). Mr. Virendra Kumar Keshari, Non-Executive Independent Director, has been appointed as Chairman of the Committee.

Mr. Sushil Kumar Agrawal, then Chairman of the Audit Committee attended the last Annual General Meeting held on 18th September, 2008.

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts, before submitting to the Board of Directors. During the year 2008-09, five meetings were held on 18th April, 2008, 26th June, 2008, 28th July, 2008, 30th October, 2008 & 30th January, 2009.

The constitution of the committee and the attendance of each member of the committee are given below :

Names	Designation	Category	Committee Meeting Attended
Mr. S. K. Agrawal*	Chairman*	Independent	5
Mr. J. N. Dey	Member	Independent	5
Mr. R. K. Jain	Member	Independent	5

\*Resigned from the Committee with effect from 1st August, 2009 and Mr. Virendra Kumar Keshari has been appointed as a Chairman with effect from 1st August, 2009.

## 6. REMUNERATION COMMITTEE

During the year ended 31st March, 2009, the Remuneration Committee comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Sushil Kumar Agrawal and Mr. Rajesh Kumar Jain all Independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

Effective from August 01, 2009 Mr. Sushil Kumar Agrawal relinquished Membership of the Audit Committee (as resigned from the Board). Mr. Virendra Kumar Keshari, Non-Executive Independent Director, has been appointed as Member of the Committee.

The Remuneration Committee was constituted to discharge the Board's responsibilities relating to compensation of the Company's executive directors and senior management. During the year 2008-09, one meeting was held on 24th November, 2008.

The constitution of the committee and the attendance of each member of the committee are given below :

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	1
Mr. S. K. Agrawal*	Member	Independent	1
Mr. R. K. Jain	Member	Independent	1

\*Resigned from the Committee with effect from 1st August, 2009 and Mr. Virendra Kumar Keshari has been appointed as a Member with effect from 1st August, 2009.

## REMUNERATION OF DIRECTORS

### (a) Executive Directors (Managing / Wholetime Directors)

The aggregate value of salary and perquisites paid for the year ended 31st March, 2009 to Managing/Wholetime Directors are as follows :

Name	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Chandra Prakash Agrawal	Managing Director	2,88,000/-
Mr. Nitin Kandoi	Wholetime Director	2,64,000/-
Mr. Dinesh R. P. Agarwal	Wholetime Director	2,28,000/-
Mr. Maheshkumar Hukmichand Gupta	Wholetime Director	80,433/-

The Remuneration to the Executive Directors is determined by the 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

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 Company pays sitting fees of Rs. 500 to its Non-Executive Directors for attending the meeting of the Board of Directors or Committees of the Board.

## 7. SHARE TRANSFER & SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

During the year ended 31st March, 2009, the Remuneration Committee comprised of Mr. Rajesh Kumar Jain, an Independent Director, as the Chairman and Mr. Sushil Kumar Agrawal and Mr. Jyotirindra Nath Dey all independent

## GALLANTT METAL LIMITED

Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

Effective from August 01, 2009 Mr. Sushil Kumar Agrawal relinquished Membership of the Audit Committee (as resigned from the Board). Mr. Virendra Kumar Keshari, Non-Executive Independent Director, has been appointed as Member of the Committee.

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 Share Transfer & Shareholders/Investors Grievance Committee. The shareholders/investors can register shares related complaints, if any, in the e-mail Id rajeshupadhyaya@gallantt.com designated exclusively for the purpose.

During the year Company has not received any investor complaint.

### 8. GENERAL BODY MEETINGS

Location and time of last 3 Annual General Meetings are as under :

Year	Venue	Date	Time
2008	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata – 700 017	18.09.2008	11.00
2007	EZCC, 'Aikatan', IA – 290, Sector – III, Salt Lake City, Kolkata – 700 097.	27.09.2007	11.00
2006	EZCC, 'Aikatan', IA – 290, Sector – III, Salt Lake City, Kolkata – 700 097.	21.09.2006	11.00

#### Details of Resolutions passed through Postal Ballot

No resolution has been passed by the Company through postal ballot during the year under report.

### 9. DISCLOSURES

- There were no materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the "Notes on Accounts" to the Balance Sheet.
- There were no cases of non-compliance by the Company and no penalties / strictures imposed on the Company by any statutory authority on any matter.

### 10. COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

### 11. MEANS OF COMMUNICATION

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These 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](http://www.gallantt.com)

#### Management Discussion & Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

#### Compliance Officer

The Board has designated Mr. Rajesh Upadhyaya, Company Secretary as the Compliance Officer.

Address : "ASHYANA", 29C, Bentinck Street, Kolkata - 700 069.

Telefax : +91-33-22312429.

**12. GENERAL SHAREHOLDER INFORMATION**

- |                                       |   |
|---------------------------------------|---|
| 1. Date, Time and Venue of 5th AGM    | Wednesday, 23rd September, 2009 at 12.00 Noon at EZCC, 'Aikatan', IA - 290, Sector - III, Salt Lake City, Kolkata – 700 097.  |
| 2. Financial Calender                 | 1st April to 31st March   |
| 3. Dates of book closure              | 17th September, 2009 to 23rd September, 2009  |
| 4. Listing on stock exchanges         | Bombay Stock Exchange Ltd. (BSE)<br>National Stock Exchange of India Ltd. (NSE)   |
| 5. Listing fees for 2008-09           | Paid for both the Stock Exchanges   |
| 6. Electronic Connectivity            | National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd.   |
| 7. Registered Office                  | "ASHYANA", 29C, Bentinck Street, Kolkata - 700 069.<br>Tel : +91-33-22312429; Fax : +91-33-22312429<br>Website : gallantt.com E-mail : gml@gallantt.com   |
| 8. Works Office                       | Near Toll Gate, Village : Kamakhyali, Taluka : Bachau, District : Kutch, Gujarat. Telefax : +91-2837-283555/557   |
| 9. Registrar and Share transfer agent | Share transfers in physical form and other communication regarding share Transfer, certificates, dividends, change of address, etc. may be addressed to:<br>NICHE TECHNOLOGIES PVT. LTD.<br>D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata - 700 001<br>Phone No. : +91-33-22156823<br>Fax No. : +91-33-22156823<br>Contact Person : Mr. S. Abbas<br>E-mail : gml@nichetechpl.com<br>Website : www.nichetechpl.com |

10. Stock Market Data

Monthly closing high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2008-09.

(Amount in Rs.)

Year 2008-09	BSE		NSE	
	High	Low	High	Low
April	29.80	23.35	30.00	23.10
May	30.55	24.05	30.40	24.10
June	26.00	19.60	26.95	20.05
July	26.90	18.75	26.00	16.60
August	29.10	21.30	29.35	18.00
September	23.60	15.15	24.00	13.50
October	17.45	9.25	17.85	8.00
November	12.80	9.01	12.95	9.00
December	12.60	10.00	12.85	10.00
January	11.90	9.55	12.35	9.10
February	11.95	10.00	11.70	8.30
March	11.00	10.00	11.85	10.00

## GALLANTT METAL LIMITED

### 13. SHARE TRANSFER SYSTEM

Shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agents within 15 days of receipt of the documents, if documents are found in order. Share under objection are returned within two weeks.

### 14. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. 93.06% of Equity Shares have been dematerialized as on 31st March, 2009.

### 15. STOCK CODE

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

532726  
GALLANTT

### 16. DISTRIBUTION OF SHAREHOLDING

The distribution of shareholding as on 31st March, 2009 was as follows :

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	7559	71.37	1747573	2.15
501-1,000	1454	13.73	1284947	1.58
1,001-5,000	1187	11.21	2865830	3.52
5,001-10,000	169	1.60	1332600	1.64
10,001-50,000	161	1.52	3285181	4.04
50,001-1,00,000	21	0.20	1575837	1.94
1,00,001 and Above	40	0.37	69230356	85.13
<b>TOTAL</b>	<b>10591</b>	<b>100.00</b>	<b>81322324</b>	<b>100.00</b>

#### Categories of shareholding as on 31st March, 2009

Category (as Gallantt reports to stock exchanges)	Shareholdings	% of Total
<b>PROMOTERS' HOLDING :</b>		
Promoters	44627658	54.88
<b>Total Promoters' Holding</b>	<b>44627658</b>	<b>54.88</b>
<b>PUBLIC SHAREHOLDING :</b>		
<b>Institutional Investors</b>		
Financial Institution Investor	5000000	6.15
<b>Others</b>		
Bodies Corporate	20440679	25.13
Individuals	10735155	13.20
NRI/OCBs	181879	0.22
Trust	7000	0.01
Clearing Memb/Clearing Cor (Demat shares in transit)	329953	0.41
<b>Total Public Shareholding</b>	<b>36694666</b>	<b>45.12</b>
<b>GRAND TOTAL</b>	<b>81322324</b>	<b>100.00</b>

### 17. INVESTOR'S CORRESPONDENCE

For investor matters :

Rajesh Upadhyaya *Company Secretary and Compliance Officer*  
Secretarial Department

**Gallantt Metal Limited**

"ASHYANA", 29C, Bentinck Street, Kolkata - 700 069 (W.B.), Telefax : +99-33-22312429

### 18. ADOPTION OF NON-MANDATORY REQUIREMENTS

Except constitution of Remuneration Committee, the Company has so far not implemented other Non-Mandatory requirements of the Code of Corporate Governance.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members

**Gallantt Metal Limited**

We have examined the compliance of the conditions of Corporate Governance by Gallantt Metal Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 had complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending against the Company for the period exceeding one month as at 31st March, 2009 as per the records maintained by the Registrar and Transfer Agent of the Company and presented to the Investors Grievance Committee.

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 **A. K. Meharia & Associates**

Chartered Accountants

**A. K. Meharia**

Partner

Membership No. 53918

Place : Kolkata

Date : 11th August, 2009

**CEO/CFO CERTIFICATION**

The Board of Director

**Gallantt Metal Limited**

"ASHYANA", 29C, Bentinck Street,  
Kolkata – 700 069.

**Re : Financial Statements for the Financial year 2008-09 – Certificate by MD and Manager Accounts & Finance**

We, Chandra Prakash Agarwal, Managing Director and Rajesh Upadhyaya, Manager Accounts & Finance and Company Secretary, of Gallantt Metal Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee :
  - (i) there have been no significant changes in internal control over financial reporting during the period.
  - (ii) there have been no significant changes in accounting policies during the period.
  - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Kolkata

Date : 11th August, 2009

**Rajesh Upadhyaya**

Manager Accounts & Finance  
and Company Secretary

**Chandra Prakash Agarwal**

Managing Director  
& CEO

# Management Discussion And Analysis Report

(forming part of the Report of the Directors for the year ended  
31st March, 2009)

## **Business Environment**

As the members are aware, following the financial shocks in the USA and Europe since mid September, 2008, most Western economies and Japan have slipped into recession. India is experiencing severe head winds since October, 2008 – with exports declining and several sectors reporting demand contradiction. GDP growth forecasts have been repeatedly down graded to 6% -7% for 2008-09 and around 6% for 2009-10. Even as demand (domestic and export) slows down, the supply pipeline (domestic and imports) in most sectors continues on its earlier trajectory leading to an over supply situation in many areas. With new entrants also becoming active, the competitive intensity is rapidly increasing. The resultant pressure on prices is already manifesting itself as discounts and in some areas, steep price drops – with an adverse impact on margins and profits. In contrast, real estate and airlines are bearing the full brunt which in turn affected steel industry. The process of deleveraging that has commenced in western markets has created a shortage of funds in India. Withdrawals by FIIs has led to a stock market crash – which is now being accentuated in various sectors. This has effectively shut out all IPO, FPO and Right Issues.

## **Industry Outlook**

The Global as well as Indian Steel Industry witnessed two sharply divergent trends in 2008; the first half witnessed a surge in steel demand leading to a record prices followed by a steep slide in demand and prices in the second half. The slowdown in Investment activity due to declining income caused by job losses led to accelerated fall in demand for steel. Responding to the collapsing demand and prices, the Global Steel Industry announced production cuts, resulting into 25% fall in world steel production in October to December, 2008.

“With the government’s plans to boost up the economy by injecting funds in various industries like infrastructure, construction, automobile and power, near future is expected to see growth”

## **Opportunity and Threats**

India is a reputed name in the world steel industry; the country’s steel industry is catching up the pace and luring the steel majors from all over the world. The industry has gained strength from the strong Indian economy, and strong sectors like infrastructure, construction and

automobile. Although India consumes less steel as compared to other Asian countries, it was ranked the fifth major crude steel producer in the world in 2008. Thus, the country offers vast scope for the steel industry in future. With the government’s plans to boost up the economy by injecting funds in various industries like infrastructure, construction, automobile and power, near future is expected to see growth.

The Indian government has recently given stimulus packages to improve the steel demand which mainly depends on the infrastructure spending throughout the country. The government has given three stimulus packages since December 2008 and has announced investment of \$8.95 Billion for the current fiscal year (2009-10) to develop infrastructure like networks of road, irrigation, phones and electricity.

Your Company is engaged in the production of steel and steel products. (TMT Bars, Billets, Ingots etc.). There is good potential for the Company, as in the western region there is substantial gap between demand and supply of finished steel and the Company has also expanded its market to sell production within the state of Gujarat, Maharashtra and Rajasthan.

The perceived threats for the Company are acute competition from existing steel Companies and also by new entrants in this field, increasing material cost, unremunerative prices and availability of good quality raw materials due to export of the same in raw form.

**Risk & Concern**

In spite of expected growing demand and increase in steel production at domestic and global level there exists imbalance in respect of supply and demand. Delay in implementing the Greenfield Steel projects by major steel producers due to non-availability of sufficient iron ore, coal and land, may increase the prevailing supply demand gap in coming years. The company annually reviews "risk factors" to help identify potential business threats and had always had a system-based approach to business risk management. Lignite and Limestone are raw material in the manufacture of products of the Company. As such the export of these materials may affect the profitability of the Company. The Industry is highly labour intensive and is subject to stringent labour laws. Comparatively high labour costs and high social cost over most other steel producing countries remains a major problem for the Indian Steel Industries.

**Internal Control System**

The Company maintains periodical internal checks and conduct adequate internal audit, which provide safeguards and proper monitoring and vetting of transactions. Necessary quality control systems and procedures have been established to audits to ensure that the Companys control systems are adequately followed and all statutory requirements are complied with. The Audit Committee of the Board of Directors of the Company inter alia conducts pre-audit and post-audit checks to ensure follow-up on the observations made by the team. During the year the Audit Committee met regularly to review the unaudited financial results of the Company, and to ascertain adequacy of internal control systems in the Company. Your Directors are satisfied with the adequacy of the same.

"There is good potential for the Company, as in the western region there is substantial gap between demand and supply of finished steel and the Company has also expanded its market to sell production within the state of Gujarat, Maharashtra and Rajasthan"

**Human Resources**

Your Company firmly accepts that people-power is one of the pillars of success at Gallantt. The Company promoted an open and transparent working environment to enhance teamwork and build business focus. The key attributes of human capital at Gallantt are a rich knowledge base, expertise and experience. Industrial relations remained normal and cordial throughout the year at all locations.

**Future Outlook**

India's rapid economic growth and soaring demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put Indian steel industry on the global map. The outlook for demand for steel is encouraging. The in-house consumption of entire Sponge Iron for manufacturing Billets, which are further rolled into TMT Bars along with installed 25MW Captive Power Plant utilizing the waste heat from the Sponge Iron Plant would improve the overall profitability of the project making it financially more viable. Various initiatives were taken up during the previous year to improve plant efficiency and enhance production.

**Cautionary Statement**

Statements in the Management Discussion and Analysis describing the Company's activities, projections about the future, estimates, assumptions with regard to global economic conditions and Government policies, etc. may be "forward looking statements" within the meaning of applicable securities laws and regulations based upon the information available with the Company. Actual results might differ those either expressed or implied.

## GALLANT METAL LIMITED

### AUDITOR'S REPORT

#### To the Shareholders

1. We have audited the attached Balance Sheet of **GALLANT METAL LIMITED** as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comment in the annexure referred to in Paragraph 3 above, we report that :
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for my audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
  - c. The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.
  - d. In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 as on 31st March, 2009.
  - f. We draw attention to the Note no. J, regarding valuation of inventories and Note no. N (b) regarding foreign currency transactions covered by option contract, on schedule W of Notes of Accounts.
  - g. In our opinion and to the best of our knowledge and according to the explanation given to us, the said accounts give the information required by the

Companies Act, 1956 in the manner as required, and give a true and fair view in conformity with the accounting principles generally accepted in India :

- i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- ii) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.
- iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **A. K. Meharia & Associates**  
Chartered Accountants

**A. K. Meharia**  
Partner

Place : Kolkata

Date : 30th June, 2009

Membership No. 53918

### ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification.
- iii) a) The Company has taken loan from other company covered in the register maintained under section 301 of the Companies Act, 1956. The number of such party is four and the maximum amount involved during the year was Rs.19.24 crore and year end balance taken from such party was Rs.12.24 crore. The company has not granted any loans, secured or unsecured to Companies, firms or other parties, covered in the register maintained under section 301 of the Act.
  - b) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the company.
  - c) The company is regular in repaying the principal amount and interest as stipulated and no amount is overdue.

- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories, fixed asset and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) According to the information and explanation provided by the management, the transactions that need to be entered into the register maintained U/S 301 of the Companies Act, 1956 have been so entered. The transaction exceeding the value of rupees five lakhs in respect of each party have been entered during the year, whose market price at the relevant time of the transaction is not available before us to enable us to comment on the reasonability of the market price at the relevant time.
- vi) The Company has not accepted any deposit from the public as stipulated under the Provisions of section 58A and 58AA of the Companies Act, 1956.
- vii) The Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and 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.
- ix) 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.
- b) According to the information and explanations given to us, there is no undisputed amount payable in respect of statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2009.
- c) According to the information and explanations given to us, the details of Statutory dues as specified under this clause which have not been deposited on account of any dispute are as under :

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	Forum where dispute is pending
Assistant Commissioner (Refund) of custom	Export Duty	37.58 Lacs	2008-09	Commissioner of custom Appeal

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) 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.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore clause 4(xiii) of the order is not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, other investments and contracts.
- xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year the Company has not raised any money by way of public issue. Hence clause (xx) of Para 4 of the order is not applicable.
- xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **A. K. Meharia & Associates**  
Chartered Accountants

**A. K. Meharia**

Partner

Place : Kolkata  
Date : 30th June, 2009

Membership No. 53918

## Balance Sheet *As at 31st March, 2009*

		(Rs. in lacs)
	Schedule	As at 31st March, 2009
		As at 31st March, 2008
<b>A. SOURCE OF FUNDS</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share Capital	A	8,132.23
Reserve & Surplus	B	5,841.25
		<u>13,973.48</u>
<b>LOAN FUNDS</b>		
Secured Loans	C	13,832.02
Unsecured Loan	D	1,224.36
		<u>15,056.38</u>
Deferred Tax Liability (Net)		1,040.67
		<u>30,070.53</u>
<b>B. APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	E	26,020.09
Less : Depreciation		3,086.09
<b>Net Block</b>		<u>22,934.00</u>
Capital work-in-progress		1,056.99
		<u>23,990.99</u>
<b>INVESTMENT</b>	F	865.20
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Inventories	G	3,594.34
Sundry Debtors	H	1,044.30
Cash & Bank Balance	I	1,103.81
Loan, Advances and other receivable	J	4,282.01
		<u>10,024.46</u>
Less: Current Liabilities & Provison	K	4,907.84
<b>NET CURRENT ASSETS</b>		<u>5,116.62</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	L	97.73
		<u>30,070.53</u>
Significant Accounting Policies and Notes on Accounts	T	
Balance sheet abstract & company profile	U	
		<u>27,653.86</u>

As per our Report of even date

For A. K. MEHARIA & ASSOCIATES

Chartered Accountants

A. K. MEHARIA

Partner

Membership No. : 53918

Kolkata, June 30, 2009

CHANDRA PRAKASH AGARWAL

DINESH R. AGARWAL

NITIN M. KANDOI

RAJESH UPADHYAYA

Chairman & Managing Director

Wholetime Director

Wholetime Director

Company Secretary

## Profit & Loss Account *For the year ended 31st March, 2009*

	Schedule	For the year ended 31st March, 2009	(Rs. in lacs) For the year ended 31st March, 2008
<b>A. INCOME</b>			
Gross Sales		45,474.43	39,474.04
Less : Excise Duty		1,363.21	805.16
<b>Net Sales</b>		<b>44,111.22</b>	38,668.87
Other Income	M	236.79	140.55
Increase /(Decrease) in Stock	N	65.41	142.13
		<u>44,413.42</u>	<u>38,951.55</u>
<b>B. EXPENDITURE</b>			
Material Consumed	O	33,903.23	28,214.19
Manufacturing Expenses	P	2,912.15	2,603.68
Employees Cost	Q	459.16	372.23
Administrative, Selling & Other Expenses	R	1,975.36	1,182.64
Interest	S	1,816.94	1,691.39
Depreciation		1,247.96	1,163.07
Preliminary Expenses		48.56	48.26
		<u>42,363.36</u>	<u>35,275.45</u>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>2,050.06</b>	3,676.10
<b>Less : Provision for Taxation</b>			
Current Tax		368.67	416.50
Less : MAT Credit Entitlement		<u>136.39</u>	<u>232.28</u>
Fringe Benefit Tax		5.50	5.08
Deferred Tax		398.60	175.63
Income Tax (Earlier year)		0.18	-
<b>PROFIT AFTER TAX</b>		<b>1,413.50</b>	3,078.90
Profi/(Loss) from previous year		<u>3,377.75</u>	<u>298.85</u>
Balance carried to Balance Sheet		<u>4,791.25</u>	<u>3,377.75</u>
<b>Earning Per Share (EPS)</b>			
Basic & Diluted EPS (in Rs.)		1.81	4.03
Significant Accounting Policies and Notes on Accounts	T		
Balance sheet abstract & company profile	U		

As per our Report of even date

For A. K. MEHARIA & ASSOCIATES

Chartered Accountants

A. K. MEHARIA

Partner

Membership No. : 53918

Kolkata, June 30, 2009

CHANDRA PRAKASH AGARWAL

DINESH R. AGARWAL

NITIN M. KANDOI

RAJESH UPADHYAYA

Chairman & Managing Director

Wholetime Director

Wholetime Director

Company Secretary

# Cash Flow Statement *For the year ended 31st March, 2009*

	As at 31st March, 2009	As at 31st March, 2008	(Rs. in lacs)
<b>OPERATING ACTIVITIES</b>			
Net Profit before Tax	2,050.06		3,676.10
<b>Adjustment for :</b>			
Depreciation	1,247.96	1,163.07	
Preliminary Expenses W/O	48.56	48.26	
Loss on sale of Fixed Assets (net)	4.49	3.89	
Interest paid	1,824.99	1,707.01	
Interest received	(82.34)	(83.03)	2,839.19
<b>Operating profit before working capital changes</b>	<b>5,093.73</b>		6,515.30
<b>Adjustment for :</b>			
Trade & other receivable	1,319.52	(1,032.89)	
Inventory	(681.69)	(990.91)	
Trade Payable	(381.28)	1,757.58	
Other Current Assets	(746.01)	232.69	(33.52)
<b>Cash generated from Operating Activities</b>	<b>4,604.28</b>		6,481.78
Direct Tax Refund / Paid (Net)	(223.91)		(432.90)
<b>Net Cash From Operating Activities</b>	<b>4,380.36</b>		6,048.88
<b>INVESTING ACTIVITIES</b>			
Interest received	82.34	83.03	
Investment in Shares	(865.20)	-	
Payment for purchase of fixed assets	(1,853.19)	(3,887.10)	
Proceed from sale of fixed assets	15.84	9.55	
<b>Net Cash used in Investing Activities</b>	<b>(2,620.21)</b>		(3,794.52)
<b>FINANCING ACTIVITIES</b>			
Capital issued (including securities premium)	1,550.00	-	
Repayment of Long term loan	(1,486.47)	(275.15)	
Preliminary expenses incurred	(1.50)	-	
Interest paid	(1,824.99)	(1,707.01)	
<b>Net Cash used in Financing Activities</b>	<b>(1,762.96)</b>		(1,982.16)
<b>Net increase / (decrease) in cash and cash equivalent</b>	<b>(2.81)</b>		272.20
Opening balance of Cash and Cash Equivalent	1,106.62		834.42
<b>Closing balance of Cash and Cash Equivalent</b>	<b>1,103.81</b>		1,106.62

As per our Report of even date

For A. K. MEHARIA & ASSOCIATES

Chartered Accountants

A. K. MEHARIA

Partner

Membership No. : 53918

Kolkata, June 30, 2009

CHANDRA PRAKASH AGARWAL

DINESH R. AGARWAL

NITIN M. KANDOI

RAJESH UPADHYAYA

Chairman & Managing Director

Wholetime Director

Wholetime Director

Company Secretary

# Schedules to Accounts

(Rs. in lacs)

As at 31st March, 2009      As at 31st March, 2008

## SCHEDULE "A" SHARE CAPITAL

### AUTHORISED

8,30,00,000 (Previous year -8,00,00,000)  
Equity Shares of Rs.10 each

**8,300.00**

**8,000.00**

### ISSUED, SUBSCRIBED AND PAID UP

8,13,22,324 (Previous year -7,63,22,324)  
Equity shares of Rs. 10 each fully paid up in cash

**8,132.23**

**7,632.23**

**8,132.23**

**7,632.23**

## SCHEDULE "B" RESERVE & SURPLUS

### Securities Premium

As per last Balance sheet

Add : Amount received on Preferential Issue

-

-

**1,050.00**

-

**1,050.00**

-

### Balance in Profit & Loss Account

**4,791.25**

**3,377.75**

**5,841.25**

**3,377.75**

## SCHEDULE "C" SECURED LOANS

Term Loans from banks

Working Capital from banks

(Refer point No. 2 of Schedule 'T' Notes on Accounts)

**10,141.02**

**12,001.84**

**3,691.00**

**3,149.97**

**13,832.02**

**15,151.81**

## SCHEDULE "D" UNSECURED LOANS

From Corporate Bodies

**1,224.36**

**850.00**

**1,224.36**

**850.00**

## SCHEDULE "E" FIXED ASSETS

Sl. No.	DESCRIPTION	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
		Original Cost as on 1.4.2008	Additions during the year	Sales/ Adjust-ment	Total as on 31.03.2009	Upto 1.4.2008	Depreciation for the year	Sales/ Adjust-ment	Total upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land	460.64	-	-	460.64	-	-	-	-	460.64	460.64
2	Building	3,600.14	266.48	-	3,866.62	166.78	114.38	-	281.16	3,585.47	3,433.36
3	Plant & Machinery	16,715.53	2,756.14	9.83	19,461.84	1,467.16	988.94	1.05	2,455.05	17,006.79	15,248.37
4	Misc. Fixed Assets	1,318.74	297.15	-	1,615.89	118.10	67.52	-	185.62	1,430.27	1,200.64
5	Computer	21.71	11.08	-	32.79	5.59	4.51	-	10.10	22.69	16.12
6	Furniture & Fixture	45.56	9.77	-	55.32	4.43	3.20	-	7.63	47.69	41.13
7	Office Equipment	32.98	4.48	-	37.47	2.24	1.68	-	3.92	33.55	30.74
8	Vehicles	204.41	110.01	15.82	298.60	38.08	26.67	4.26	60.49	238.11	166.33
9	C.I.Mould	76.20	46.07	-	122.27	8.86	11.61	-	20.47	101.80	67.35
10	Rolls	54.38	14.27	-	68.65	32.20	29.45	-	61.65	7.00	22.18
	<b>Total</b>	<b>22,530.30</b>	<b>3,515.43</b>	<b>25.65</b>	<b>26,020.09</b>	<b>1,843.44</b>	<b>1,247.96</b>	<b>5.31</b>	<b>3,086.09</b>	<b>22,934.00</b>	<b>20,686.87</b>
	<b>Previous Year</b>	20,419.52	2,141.64	30.86	22,530.30	682.86	1,163.22	2.65	1,843.44	20,686.86	

## Schedules to Accounts

	(Rs. in lacs)	
	As at	As at
	31st March, 2009	31st March, 2008
<b>SCHEDULE "F" INVESTMENTS</b>		
<b>UNQUOTED (Long Term)</b>		
Gallantt Ispat Limited	<b>865.20</b>	–
(86,51,992 Equity Shares Face Value of Rs. 10)	<u>865.20</u>	<u>–</u>
<b>SCHEDULE "G" INVENTORIES</b>		
(As taken valued & certified by the management)		
Finished Stock	<b>871.49</b>	846.41
Raw Material	<b>1,997.19</b>	1,529.25
Stores & Spares	<b>725.67</b>	537.00
	<u>3,594.34</u>	<u>2,912.66</u>
<b>SCHEDULE "H" SUNDRY DEBTORS</b>		
(Unsecured considered Good)		
Debts due within 6 months	<b>1,044.30</b>	2,363.82
	<u>1,044.30</u>	<u>2,363.82</u>
<b>SCHEDULE "I" CASH &amp; BANK BALANCES</b>		
Cash in hand (As certified)	<b>16.03</b>	19.55
Balances with Scheduled Banks :		
(i) in Fixed Deposits	<b>1,086.67</b>	1,065.70
(ii) in Current A/c	<b>1.11</b>	21.37
	<u>1,103.81</u>	<u>1,106.62</u>
<b>SCHEDULE "J" LOANS &amp; ADVANCES</b>		
<b>Advances</b>		
(Unsecured & Considered Good)		
Advances (Recoverable in Cash or Kind or for value to be received)	<b>505.60</b>	499.50
Other Receivable	<b>1,992.52</b>	1,320.88
Share Application	<b>700.00</b>	–
MAT Credit Entitlement	<b>374.42</b>	509.70
Advance with Income Tax, Excise, Custom etc.	<b>483.82</b>	128.60
Security Deposits	<b>225.65</b>	217.02
	<u>4,282.01</u>	<u>2,675.69</u>

## Schedules to Accounts

	(Rs. in lacs)	
	As at	As at
	31st March, 2009	31st March, 2008
<b>SCHEDULE "K" CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	3,535.33	3,916.61
Other outstanding Liabilities	498.49	378.10
<b>Sub Total</b>	<b>4,033.82</b>	<b>4,294.71</b>
<b>PROVISIONS</b>		
For Taxation	758.47	524.48
Other Provision	115.55	136.62
<b>Sub Total</b>	<b>874.02</b>	<b>661.10</b>
	<b>4,907.84</b>	<b>4,955.81</b>
 <b>SCHEDULE "L" MISCELLANEOUS EXPENDITURE</b>		
Share Issue Expenses	79.99	119.98
Preliminary Expenses	17.74	24.81
	<b>97.73</b>	<b>144.79</b>
 <b>SCHEDULE "M" MISCELLANEOUS INCOME</b>		
Interest on Bank Deposit (Tax deducted at source Rs. 10.17 lacs (P.Y. Rs. 19.12 lacs)	82.34	83.03
Interest on Security Deposit (Tax deducted at source Rs. 8.54 lacs (P.Y. Rs. 6.87 lacs)	38.99	30.61
Other Income	115.46	26.91
	<b>236.79</b>	<b>140.55</b>
 <b>SCHEDULE "N" INCREASE IN STOCK</b>		
Closing Stock		
Finished Stock	871.49	846.41
<b>Sub Total (A)</b>	<b>871.49</b>	<b>846.41</b>
Less : Opening Stock		
Finished Stock	846.41	704.28
<b>Sub Total (B)</b>	<b>846.41</b>	<b>704.28</b>
	<b>25.08</b>	<b>142.13</b>
<b>Add : Change in Excise Duty on stock</b>	<b>40.33</b>	-
<b>INCREASE/(DECREASE) IN STOCK (A-B)</b>	<b>65.41</b>	<b>142.13</b>

## Schedules to Accounts

	(Rs. in lacs)	
	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE "O" MATERIAL CONSUMED</b>		
Raw Material Consumed	<b>31,941.73</b>	26,513.88
Other Material Consumed	<b>1,961.49</b>	1,700.31
	<b><u>33,903.23</u></b>	<u>28,214.19</u>
<b>SCHEDULE "P" MANUFACTURING EXPENSES</b>		
Power & Fuel	<b>1,698.46</b>	1,337.64
Manufacturing expenses	<b>428.52</b>	447.14
Repairs & Maintenance :		
Plant & Machinery	<b>740.63</b>	780.72
Building	<b>14.53</b>	10.28
Others	<b>30.01</b>	27.90
	<b><u>2,912.15</u></b>	<u>2,603.68</u>
<b>SCHEDULE "Q" EMPLOYEE'S COST</b>		
Salary, Wages and Bonus	<b>411.52</b>	348.83
Contribution to Provident and other Fund	<b>35.60</b>	13.93
Staff Welfare Expenses	<b>12.04</b>	9.47
	<b><u>459.16</u></b>	<u>372.23</u>
<b>SCHEDULE "R" ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Rent	<b>4.16</b>	3.77
Insurance	<b>54.31</b>	29.92
Rates & Taxes	<b>9.90</b>	5.93
Export Duty	<b>377.02</b>	-
Miscellaneous Expenses	<b>391.06</b>	317.22
Loss on sale of fixed assets	<b>4.49</b>	3.89
Commission & Brokerage	<b>40.56</b>	26.22
Foreign Exchange Fluctuation Loss	<b>310.08</b>	-
Carriage & Freight	<b>742.68</b>	759.43
Selling expenses	<b>41.10</b>	36.26
	<b><u>1,975.36</u></b>	<u>1,182.64</u>
<b>SCHEDULE "S" INTEREST &amp; FINANCIAL CHARGES</b>		
Interest to Bank	<b>1,789.94</b>	1,543.49
Interest to others	<b>27.00</b>	147.90
	<b><u>1,816.94</u></b>	<u>1,691.39</u>

# Schedules to Accounts

## SCHEDULE FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH 2009

### Schedule 'T' - Significant Accounting Policies and Notes to Accounts

#### Significant Accounting Policies

##### A. Basis of Preparation of Financial Statement

- a) The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and relevant provision of the Companies Act, 1956 and in accordance with the generally accepted accounting principles in India.
- b) The financial statements are based on historical cost and are prepared on accrual basis.

##### B. Revenue Recognition

- a) Sale of goods is recognised when they are invoiced to customers and are inclusive of Excise Duty, Sales Tax but exclusive of Sales Returns and Turnover Discount.
- b) Revenue from Sale of electrical energy is accounted for at the rates in accordance with the provision of Power Sale Agreement executed between the Company and M/s Gujrat Urza Vikash Nigam Limited (undertaking of Government of Gujarat).
- c) Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

##### C. Fixed Assets

- a) Fixed Assets are stated at their original cost of acquisition/installation less accumulated depreciation. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- b) Capital work in progress  
All expenses incurred for acquiring, erecting and commissioning of the fixed assets including interest on loan utilised for meeting capital expenditure are shown under capital work in progress. The advance given for acquiring fixed assets is also shown along with capital work in progress.

##### D. Depreciation

Depreciation on fixed assets has been provided on straight line method (SLM) at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956 of India.

##### E. Preliminary Expenses

Preliminary expenses are amortised over a period of 5 years from the date of transaction.

##### F. Investments

- a) Long Term Investments are carried at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.
- b) Current Investments are stated at lower of cost and fair value.

##### G. Impairment

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Profit and Loss Account in the year in which an asset is impaired. The impairment loss recognised in prior accounting period is reversed if there has been an improvement in recoverable amount.

##### H. Earning per share

Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

##### I. Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition or construction of Qualifying Assets are capitalised as part of cost of such assets. Other Borrowing Costs are charged as expense in the year in which these are incurred.

##### J. Valuation of Inventories

- a) Raw materials, Stores & Spares and material in transit are valued at lower of cost and net realisable value. Costs of Inventories are ascertained on FIFO basis.

## Schedules to Accounts

- b) Finished Goods are valued at lower of cost\* and net realisable value.

\* Cost includes depreciation and interest on borrowed fund charged to revenue.

### **K. Inter-Division Transfers**

Inter-division transfer of Power generated by Power Plant Unit is transferred to other unit at approximate prevailing market price. The value of such inter-divisional transfer is netted off from sales and operational income and expenses under materials, manufacturing & others. This accounting treatment has no impact on the profits of the company.

Inter-divisional transfer of materials to fixed assets or vice versa is at prevailing market price.

### **L. Excise Duty, Sales Tax & Custom Duty**

- i) The CENVAT credit available on purchase of raw materials and other eligible inputs is adjusted against excise duty payable on clearance of goods produced. The unadjusted CENVAT credit is shown under the head "Loans and Advances".
- ii) The Company has the remission scheme on Sales Tax charged on sales for a period of ten years or total accumulated sales tax collected and refund of VAT claimed on material purchased upto Rs. 91.09 crore, whichever is earlier starting from the financial year 2005-06.
- iii) Excise duty on closing stock of Finished Goods is considered for valuation of stocks of finished goods lying in the factories as on the Balance Sheet date.
- iv) In terms of scheme provided by the Department of Central Excise, the Company has got the remission of excise duty by way of refund of the excise duty paid and the same is credited to the Profit & Loss Account as income of the Company.
- v) Provision is made in the books of account for Custom Duty on Imported Items on arrival and lying in bonded warehouse and awaiting clearance.

### **M. Taxation**

- a) Provision for current income tax is determined on the basis of the amount of tax payable on taxable income for the year.
- b) In accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax liabilities and assets are recognised at substantively enacted tax rate, subject to the consideration of prudence, on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c) Fringe Benefit Tax (FBT) is accounted for on the estimated value of fringe benefits for the period as per the related provision of the Income tax Act.

### **N. Foreign Currency Transaction**

- a) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency transaction is translated at the year end rates. Exchange differences arising on settlement / conversion of monetary items are recognised as income or expense in the year in which they arise except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.
- b) The company uses foreign currency option to hedge to manage its risk associated with foreign currency fluctuations relating to certain firm commitments. Transactions covered by option contracts are settled on future dates are being adjusted on the date of settlement. Premium paid for hedging the Foreign Exchange Option contract is recognised as expense over the life of the contract.

### **O. Employee Benefits**

The company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the Profit & Loss Account. Provision for gratuity is made on the basis of actuarial valuation at the year end in conformity with the Accounting Standard - 15.

### **P. Prior Period Items**

Prior period items are included in respective heads of accounts and material items are disclosed by way of notes on accounts.

## Schedules to Accounts

### Q. Contingent Liabilities

Contingent Liabilities are determined on the basis of available information and which are not provided for is disclosed by way of Notes to the Accounts.

### NOTES ON ACCOUNTS

#### 1. Contingent Liabilities

Contingent Liabilities not provided for in respect of

Description	(Rs. in lacs)	
	2008-2009	2007-2008
i) Guarantees given by the bank on behalf of the Company (margin money kept by way of fixed deposit of Rs. 245.12 lacs (Previous year - Rs. 229.87 lacs)	236.33	353.70
ii) 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 utilisation of CENVAT Credit for 5 years from the date of Commercial Production. (Appeal is pending before Hon'able High Court of Gujarat)	1,107.45	–
iii) Custom / Excise duty on Capital Goods imported / purchased under EPCG Scheme, against which export obligation is to be fulfilled	441.91	528.91
iv) Demand of export duties on goods expoted as per FOB price as the cum duty price (demand and appeal is pending)	56.56	–
<b>2. Secured Loan of the Company consists the following</b>		
Cash Credit	3,565.36	149.77
Rupee Term Loan	4,788.90	5,041.21
Foreign Currency Term Loan	5,352.11	6,960.63
Foreign Currency Demand Loan	–	3,000.20
Overdraft Facility	125.64	–
<b>Total Secured Loan</b>	<b>13,832.01</b>	<b>15,151.81</b>
<b>2.1. (a) Primary Securities</b>		
<b>i) Term Loans</b>		
(a) First Pari pasu charge over all the borrower's fixed assets (Present & Future).		
(b) Second Pari pasu charge over all the borrowers' current assets including Cash & Bank balances, Stock etc.		
<b>ii) Working Capital Facilities</b>		
First charge on all the current assets of the company (Present & Future) and the second charge on the fixed assets of the company.		
<b>(b) Collateral Securities</b>		
(i) Equitable mortgage of house property of Sri S. K. Agrawal, relative of director.		
(ii) Collateral Security by pledge of equity shares of the company held by promoters.		
<b>(c) Corpoarte &amp; Personal Guarantee</b>		
(i) M/S Gallantt Udyog Ltd. to the extent of shares pledged aggregating 1,46,50,000 equity shares having face value of Rs. 10/- each		
(ii) M/S. Hipoline Commerce Pvt. Ltd. (on account of merger of erstwhile M/s. Ganesh Laxmi Steel Pvt. Ltd.).		
(iii) Personal Guarantee of the Sri C. P. Agarwal, Sri Dinesh Kumar Agarwal, Sri Nitin M. Kandoi and Sri S. K. Agarwal to the extent of mortgaged created.		

## Schedules to Accounts

3. <b>Managerial Remuneration paid/payable to Directors</b>	(Rs. in lacs)	
<b>Description</b>	<b>2008-2009</b>	<b>2007-2008</b>
<b>Managing Director</b>		
Remuneration	<b>2.88</b>	2.64
<b>Whole Time Director</b>		
Remuneration	<b>5.36</b>	4.08
Perquisites	<b>0.36</b>	-
<b>Non Executive Directors</b>		
Sitting Fee	<b>0.27</b>	0.33
<b>Total</b>	<b>8.87</b>	7.05
<b>4. Payment to Auditors (Including Service Tax, wherever applicable)</b>		
<b>Particulars</b>	<b>As at 31.03.2009</b>	<b>As at 31.03.2008</b>
(a) Statutory Auditors		
i) Audit Fees	<b>2.04</b>	1.40
ii) For certification works	<b>0.11</b>	-
iii) For Tax Audit	<b>0.33</b>	0.28
iv) Out of pocket expenses	<b>0.16</b>	0.21
<b>Total</b>	<b>2.64</b>	1.89
<b>5. Segment Reporting</b>		
a) <b>Primary Segment (By Business Segment)</b>		
The Company is engaged in the business of production of Iron, Steel & Power. The Company has two reportable business segments i.e. Steel and Power which have been identified in line with the Accounting Standard-17 on "Segment Reporting". Information about Primary Segment is as follows :		
<b>Particulars</b>	<b>2008-2009</b>	<b>2007-2008</b>
<b>1. Segment Revenue</b>		
a) Steel	<b>43,724.80</b>	39,185.06
b) Power	<b>5,551.20</b>	5,230.49
Sub Total	<b>49,276.00</b>	44,415.55
<b>Less : Inter Segment Revenue</b>	<b>4,928.00</b>	4,763.59
<b>Net Segment Revenue</b>	<b>44,348.00</b>	39,651.96
<b>2. Segment Results</b>		
a) Steel	<b>2,822.93</b>	3,322.95
b) Power	<b>1,044.07</b>	2,044.54
Sub Total	<b>3,867.00</b>	5,367.49
<b>Less : Interest</b>	<b>1,816.94</b>	1,691.39
<b>Profit before Tax</b>	<b>2,050.06</b>	3,676.10
<b>3. Capital Employed (Segment Assets less Segment Liabilities)</b>		
a) Steel	<b>15,557.45</b>	16,176.14
b) Power	<b>12,646.45</b>	11,682.74
c) Un-allocable	<b>1,866.63</b>	(349.82)
<b>Total Capital Employed</b>	<b>30,070.53</b>	27,509.06
<b>4. Capital Expenditure during the period</b>		
a) Steel	<b>1,244.88</b>	1,744.67
b) Power	<b>2,270.22</b>	370.69
c) Un-allocable	<b>-</b>	-

## Schedules to Accounts

### b) Secondary Segment (By Geographical Segment) (Rs. in lacs)

The secondary segment is based on geographical demarcation i.e. India & Rest of the World. Information about Secondary Segment is as follows :

Particulars	2008-2009	2007-2008
<b>1. Segment Revenue</b>		
a) Within India	42,810.89	38,809.42
b) Outside India	2,891.05	-
Sub Total	<u>44,348.00</u>	<u>38,809.42</u>
<b>2. Segment Assets</b>		
a) Within India	30,070.53	27,653.86
b) Outside India	-	-
Sub Total	<u>30,070.53</u>	<u>27,653.86</u>
<b>3. Capital Expenditure during the period</b>		
a) Within India	3,515.10	2,115.36
b) Outside India	-	-
Sub Total	<u>3,515.10</u>	<u>2,115.36</u>

### 6. Impairment of Assets

Pursuant to Accounting Standard (AS 28) Impairment of Assets issued by Institute of Chartered Accountant of India, the Company assessed its fixed assets for impairment as at March 31, 2009 and concluded that there has been no significant impaired fixed asset that needs to be recognised in the books of accounts.

### 7. Earning/Expenditure in Foreign exchange

Particulars	As at 31.03.2009	As at 31.03.2008
<b>(a) Expenditure Value of Import on CIF basis</b>		
Raw Material	1165.88	5,540.04
Capital Goods	41.72	12.03
Interest on FCNRB Loans	597.38	421.27
<b>(b) Earning</b>		
Export Sale	2,890.49	-

### 8. Earnings per Shares

The following reflects the income and share data used in the computation of Basic & Diluted Earnings per Shares.

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Amount used as the numerator</b>		
Net profit attributable to the ordinary Shareholders for Basic Earnings per shares (Rs.)	14,13,50,050	30,78,89,700
<b>No. of Ordinary Shares used as denominator</b>	7,80,75,749	7,63,22,324
Weighted average number of ordinary Shares in issue applicable to Basic Diluted Earnings per shares		
<b>Earnings Per Shares Basic &amp; Diluted (Rs.)</b>	1.81	4.03

### 9. Deferred Tax

Deferred Tax assets and liabilities arising on account of temporary timing differences are as under

Particulars	As at 31.03.2009	As at 31.03.2008
<b>Deferred Tax Liabilities</b>		
On account of Timing difference in Depreciation	1,443.45	1,158.91
<b>Deferred Tax Assets</b>		
Minimum Alternate Tax Provided	(374.36)	(510.76)
Disallowance u/s 40(a) (ia) of the I.T. Act	(28.42)	(6.08)
<b>Deferred Tax Assets/Liability (Net)</b>	<u>1,040.67</u>	<u>642.07</u>

## Schedules to Accounts

10. **Disclosure as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**  
The company has not received any intimation from "suppliers" regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said act have not been furnished.
11. Sundry Creditors include Rs. Nil (Previous Year Rs. Nil) due to Small Scale industrial undertaking to the extent such parties have been identified from the available documents / information.
12. Balance of some of the Sundry Debtors, Creditors, Loans and Advances are subject to confirmation from respective parties.
13. Other Receivable under the head Loans & Advances includes Excise Duty Rs. 1,437.58 lacs and Sales Tax Rs. 321.14 lacs.
14. Other Income includes insurance claim acknowledged by M/s Tata AIG General Insurance Company Limited amounting to Rs. 47.62 lacs in respect of claim made on loss of profit.
15. Repairs & maintenance (Plant & Machinery) are shown net of the Insurance claim received of Rs. 25.13 lacs.
16. Current liabilities include Rs. 29.34 lacs payable to Gujarat Sales Tax after 10 year from the year 2005-06 under Sales Tax incentive scheme enjoying by the company.
17. As per approval of Shareholder in Extra-ordinary General Meeting held on dated 12/11/2008, the Company has allotted 50 Lacs Equity Share of Face Value of Rs. 10/- each on preferential basis to M/s Elara India Opportunities Fund Limited at a premium of Rs.21/- each on 24/11/2008.
18. **Related Party Disclosures** (As identified by the Management)
- (A) Name of Related Parties and Description of Relationship.
- I. Associate Company
- Gallant Udyog Ltd.  
Gallantt Ispat Ltd.  
Ganesh Laxmi Processors Pvt. Ltd.  
Hipoline Commerce Pvt. Ltd.  
Paramount Vyapaar Pvt. Ltd.
- II. Key Managerial Personnel
- Mr. Chandra Prakash Agrawal  
Mr. Dinesh R. Agarwal  
Mr. Nitin Kandoi  
Mr. Mahesh H Gupta

(B) Related Party Transaction & Balance (Rs. in lacs)

Nature of Transaction	Associates	Key Management Personnel	Total
Purchase of Goods	490.10	–	490.10
Sale of Goods	139.22	–	139.22
Loan Taken	3,035.00	–	3,035.00
Loan Repayment	2,525.00	–	2,525.00
Interest Paid	25.58	–	25.58
Remuneration Paid	–	8.60	8.60
Share Application	700.00	–	700.00
Balance of Loan taken as on 31.03.09.	1224.36	–	1224.36

19. **Licensed & Installed Capacity, Production, Stocks and Turnover**

(a) **Capacity and Production**

Items	Unit	As at 31.03.2009			As at 31.03.2008		
		Licensed Capacity	Installed Capacity	Actual Production	Licensed Capacity	Installed Capacity	Actual Production
Sponge Iron	MT	NA	99,000	73,208.690	NA	99,000	1,00,277.600
M.S.Billet	MT	NA	1,76,420	1,23,784.673	NA	1,76,420	1,30,088.376
M.S.Bar	MT	NA	1,68,300	65,564.798	NA	1,68,300	70,531.176
Misroll Bar	MT	NA	–	2,246.872	–	–	2,486.963
Power(* in KWH)	MW	NA	25	12,15,15,900*	NA	25	13,08,17,500*

## Schedules to Accounts

**(b) Stock & Turnover**

(Rs. in lacs)

Items	As at 31.03.2009						As at 31.03.2008					
	Opening Stock		Sales		Closing Stock		Opening Stock		Sales		Closing Stock	
	Qty. (MT)	Amount	Qty. (MT)	Amount	Qty. (MT)	Amount	Qty. (MT)	Amount	Qty. (MT)	Amount	Qty. (MT)	Amount
Sponge Iron	319.746	57.89	-	-	1057.540	162.55	752.097	91.61	1130.030	198.04	319.746	57.89
M.S.Billet	1460.737	423.58	55334.130	19578.00	800.141	188.80	1145.193	233.52	55090.280	15059.12	1460.737	423.58
M.S.Bar	1001.481	333.34	64892.930	24418.40	1673.349	461.61	1401.585	348.56	70931.280	22844.77	1001.481	333.34
Misroll Bar	94.925	31.59	2057.930	614.66	283.867	58.53	145.652	30.59	2390.780	617.83	94.925	31.59
Power(* in KWH)			21157119	623.20					19672533	466.90		
Coal			7286.260	467.68					11012.770	465.30		

**(c) Raw Material consumption**

Items	As at 31.03.2009		As at 31.03.2008	
	Quantity (MT)	Amount	Quantity (MT)	Amount
Iron Ore	130869.061	6,730.18	1,60,998.105	9,536.80
Coal	168490.451	8,670.40	1,92,104.161	7,620.95
Iron Scrap	54483.642	13,694.04	46369.696	8,653.91
Sponge Iron	15622.480	2,661.62	4769.310	650.92
Billet	800.545	185.49	593.880	130.53
Sponge Iron*	72470.896	—	99579.921	—
Billet*	69111.139	—	74682.552	—
Misroll Bar*	—	—	146.910	—
Internal generation*	880.640	—	650.443	—
Other Material	NA	1,961.49	NA	1,700.31
		32,903.22		28,293.42

\* Represents own produced materials consumed.

**20. Value of Consumption of Imported & Indigenous Raw Materials**

Particulars	Year ended 31.03.2009		Year ended 31.03.2008	
	Rs. in lacs	% of Total	Rs. in lacs	% of Total
Imported	683.15	2.08	4,791.17	16.93
Indigenous	32,220.07	97.92	23,502.25	83.07

21. Previous year figures have been regrouped and reclassified wherever necessary to facilitate comparison with Current year figures.

As per our Report of even date

For A. K. MEHARIA &amp; ASSOCIATES

Chartered Accountants

A. K. MEHARIA

Partner

Membership No. : 53918

Kolkata, June 30, 2009

CHANDRA PRAKASH AGARWAL

DINESH R. AGARWAL

NITIN M. KANDOI

RAJESH UPADHYAYA

Chairman &amp; Managing Director

Wholetime Director

Wholetime Director

Company Secretary

## GALLANTT METAL LIMITED

### **Balance Sheet Abstract & Company's Business Profile**

(Additional Information pursuant to Part IV of Schedule VI of the Companies Act, 1956)

<b>1. REGISTRATION DETAILS</b>	
Registration No.	101553
State Code	21
Balance Sheet Date	31.03.09
<b>2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)</b>	
Preferential allotment	50000.00
<b>3. POSITION OF MOBILISATION &amp; DEPLOYMENT OF FUND (AMOUNT IN RS. THOUSAND)</b>	
Total Assests	3007053.06
Total Liabilities	3007053.06
<b>Sources of Fund</b>	
Share Capital	813223.24
Profit & Loss Account	584124.71
Secured Loans	1383201.85
Unsecured Loans	122435.85
Deferred Tax Laibility	104067.41
<b>Application of Fund</b>	
Fixed Assests	2293400.24
Capital W.I.P.	105698.62
Investment	86519.92
Net Current Assests	511661.71
Miscellaneous Expenditures	9772.58
<b>4. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSAND)</b>	
Turnover	4411121.73
Other Income	23679.39
Increase/(Decrease) in Stock	6541.00
Total Expenditures	4236335.87
Profit Before Tax	205006.25
Provision for Taxation	63656.20
Profit After Tax	141350.05
Earing Per Share	1.81
Dividend	Nil
<b>5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)</b>	
<b>PRODUCT DESCRIPTION</b>	<b>ITEM CODE NO.</b>
Sponge Iron	72031000
Billets	72071920
M. S. Bar	72141090

As per our Report of even date

For A. K. MEHARIA & ASSOCIATES

Chartered Accountants

A. K. MEHARIA

Partner

Membership No. : 53918

Kolkata, June 30, 2009

CHANDRA PRAKASH AGARWAL

DINESH R. AGARWAL

NITIN M. KANDOI

RAJESH UPADHYAYA

Chairman & Managing Director

Wholetime Director

Wholetime Director

Company Secretary

**GALLANTT METAL LIMITED**

Registered Office :  
"ASHYANA", 29C, Bentinck Street, Mezzanine Floor, Kolkata - 700 069

**FORM OF PROXY**

I/We .....  
of .....  
..... being Member/Member(s) in the above named Company,  
hereby appoint .....  
of .....  
or failing him ..... of .....  
..... as my/our proxy to attend and vote for me/us on my/our behalf at  
the 5th Annual General Meeting of the Company to be held on Wednesday, 23rd September, 2009 at 12.00 Noon, at EZCC, 'Aikatan', IA - 290,  
Sector III, Salt Lake City, Kolkata - 700 097 and any adjournment thereof.

Signed this ..... day of ..... 2009

DP ID No.....

Client ID No.....

No. of Shares.....

Affix  
Re. 1/-  
Revenue  
Stamp

Note: The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

**GALLANTT METAL LIMITED**

Registered Office :  
"ASHYANA", 29C, Bentinck Street, Mezzanine Floor, Kolkata - 700 069

**ATTENDANCE SLIP**

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Shares Held .....

DP ID No. ....

Client ID No. ....

..... (Please write your name in BLOCK letters)

I hereby record my presence at the 5th Annual General Meeting of the Company held at EZCC, 'Aikatan', IA - 290, Sector III, Salt Lake City, Kolkata - 700 097 on Wednesday, the 23rd September 2009, at 12.00 Noon.

Member's/Proxy's Signature

(To be signed at the time of handing over the slip)

- Notes :
- 1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the meeting.
  - 2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

*If undelivered, please return to :*  
**Gallantt Metal Limited**  
'Ashyana', 29C Bentinck Street  
Kolkata-700 069

**BOOK POST**

1786



CM/L-7690389

