GIL/KOL/2014-15/
March 19, 2015

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| Mr. Hari K. – Vice President - Listing<br>**National Stock Exchange of India Limited**<br>"EXCHANGE PLAZA",<br>Bandra – Kurla Complex, Bandra (East),<br>Mumbai- 400 051. INDIA. | The Manager, Listing<br>**Bombay Stock Exchange Limited**<br>Floor 25, P J Towers,<br>Dalal Street,<br>Mumbai- 400 001. INDIA. |

Sir/Madam,

**SUB: OUTCOME OF THE BOARD MEETING – 19.03.2015**

The Board of Directors at their meeting held on today, the 19th March, 2015, inter alia has decided and approved following businesses:

1. **OPTIMIZATION OF PLANT CAPACITY:**
   The Board discussed in detail the initiatives and efforts of the management team of the Company for optimum utilization of installed capacity of the plants. The Board reviewed and taken on record the internal reports on capacity utilization of Steel Melt Shop Unit and Rolling Mills Unit issued by the technical personnel of the Company.

   The technical report suggests that over the period of time Company has generated sufficient technical support system to fully utilize the original installed capacity of 167400 MTPA in Steel Melt Shop (presently operating at 118800 MTPA) and 162380 MTPA in Rolling Mill (presently operating at 118800 MTPA).

   Further, the Technical Personnel heading the Flour Mill Unit of the Company suggests that number of working days in Flour Mill division is actually being utilized only to the tune of 300 days and hence, it will operate at its original installed capacity of 108000 MTPA.

   Based on the guidance and recommendation of the technical and management personnel and adoption of best production practices and the units capacity utilization are expected to be aligned and restored in its original installed capacity thereby the Capacity Utilization shall remain as under:

| UNITS | INSTALLED CAPACITY |
|---|---|
| CAPTIVE POWER PLANT | 16 MW |
| SPONGE IRON | 99000 MTPA |



GALLANTT ISPAT LIMITED Kolkata

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| STEEL MELT SHOP | 167400 MTPA |
| ROLLING MILL | 162380 MTPA |
| FLOUR MILL | 108000 MTPA |

**RATIONALE BEHIND OPTIMIZATION OF INSTALLED CAPACITY:**

a. **Management Expertise** - Over the period of successful running and integration of entire production units of the Company, Management Personnel have gained rich expertise in the field of plant operation which proved guidance to the production team, making it feasible to optimize the installed capacity.

b. **Inclusion of Additional Manpower to Optimize Capacity Utilization –** As per the recommendation of the technical team, Company has hired and inducted new faces in the production team, both skilled and non-skilled.

c. **Change in Charge Mix in Steel Melt Shop Division & Reduction of Maintenance Time in Rolling Mill Division** - Due to change in charge mix i.e. ratio of sponge iron / scrap / pig iron per heat timing shall be considerably reduced. Also the maintenance time shall be considerably reduced to ensure running of 18 hours of Rolling Mill division as was originally proposed.

**Considering the above factors, company shall be in a position to achieve the originally installed production capacities in FY 2015-16.**

Please acknowledge the receipt and oblige.

Thanking you,

Yours faithfully,
**GALLANTT ISPAT LIMITED**

GALLANTT ISPAT LIMITED ★ Kolkata

Nitesh Kumar
**(COMPANY SECRETARY)**