GIL/KOL/2015-16/
November 26, 2015

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

Sir/Madam,

SUB: ORDER OF HONORABLE HIGH COURT IN FAVOUR OF COMPANY – SUBSIDY SCHEME OF STATE GOVERNMENT OF UTTAR PRADESH

This is with reference to our earlier submissions regarding special incentives given to industries being set up in the State of Uttar Pradesh. In this regard, we would like to reiterate that the State Govt. of Uttar Pradesh had granted facilities to industries being set up in Uttar Pradesh with investment of above Rs. 100.00 Crores. The incentives were originally granted vide G.O. No. 1502/77-6-2006-10 Tax/04 dated 1.6.2006 which have been elaborated in G.O. No. 2941/77-6-2006-10 Tax/04 dated 30.11.2006 and further amended from time to time.

Further to reiterate that ours is a Company having satisfied and fulfilled the eligibility criteria for getting benefits under the above Scheme and having declared as eligible unit under scheme, a subsidy of Rs. 24.28 Crores has been disbursed by the Government of Uttar Pradesh as a part disbursement of the subsidies.

As informed earlier, vide their G.O. bearing no. 1674/77-6-11-10/(Tax) 04 T.C.-12 dated November 18, 2011, State Government of Uttar Pradesh has abolished the existing Scheme of Subsidies and Incentives given to the Industries having a Fixed Capital Investment of above Rs. 100 Crores as discussed hereinabove and being the unconstitutional decision and injustice on the part of the State Government of Uttar Pradesh, and for getting equal protection of law of land, our Company has preferred a Writ petition bearing no. 12710/2011 / Misc. Bench dated 17.12.2011 at Honorable High Court of Allahabad, Lucknow Bench, Uttar Pradesh and Honorable High Court vide its judgments dated 12.08.2013 directed the State Government to take a fresh decision in the matter expeditiously and not to make any recovery of unpaid VAT amount.

GALLANTT ISPAT LTD.

Company Secretary

GALLANTT ISPAT LIMITED
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Factory : AL-5, Sector-23, Sahjanwa, District - Gorakhpur-Uttar Pradesh
Corporate Identification No. : L27109WB2005PLC101650

Not satisfied and being aggrieved by the decision of the Honorable High Court vide its judgments dated 12.08.2013, Company filed an Special Leave Petition before the Honorable Supreme Court with a prayer to decide our case in the Supreme Court itself.

Apart from our Company, there are four other Companies which are eligible under Scheme, which did not move the Honorable Supreme Court.

As per the Scheme of Subsidy as above, investment in setting up industries till 31.05.2012 are eligible for claiming the benefits and subsidies under the Scheme. The Government of Uttar Pradesh, vide its G. O. dated 11.02.2015 allowed incentives only on the investment made till 31.05.2009 AND the State Government also denied benefit of interest free loan and transport subsidy.

Aggrieved from the above G.O., other four Companies have filed writ petition before the **Hon'ble High Court of Allahabad, Lucknow Bench and Hon'ble High Court has pronounced its judgement on 05.11.2015 and decided the following:**

1. **Quashed the Government Order dated 18.11.2011 and 11.02.2015.**

2. Decided that the issue comes under the principle of promissory estoppel and as per settled law position by the Hon'ble Supreme Court, Government cannot be allowed to resile from its promises of financial incentives made in Government order dated 01.06.2006 which was finally modified / merged with Government order dated 30.11.2006.

3. **Directed the State Government to make payment of Capital Subsidy, Infrastructure Subsidy, Transport Subsidy and other subsidies, if any, as per scheme forthwith.**

4. **Directed the State Government to take a fresh decision within a period of three months with regard to automatic conversion of tax into interest free loan and directed the State Government to keep on hold the recovery of taxes.**

In the above circumstances, our Special Leave Petition (SLP) before the Honorable Supreme Court has become infructuous as the relief prayed by us have already been

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granted by the Honorable High Court by its judgement / pronouncement dated 05.11.2015 and hence, the Company has taken steps for moving application before the Honorable Supreme Court for withdrawal of Special Leave Petition. The said judgement is in nature of policy decision and has a general effect irrespective of being ourselves not being a party to the said writ in High Court.

After this judgement, we are entitled to receive Capital Subsidy, Infrastructure Subsidy, and Transport Subsidy and Reimbursement of VAT amount already deposited with the State Government against Interest Free Loan **making a total disbursement of Rs. 250.00 Crores (approximately).**

Company **expects disbursement of subsidy very shortly.**

A web copy of the Order of Honorable Allahabad Court is enclosed herewith.

Please acknowledge the receipt of this intimation and oblige.

Thanking you,

Yours faithfully,
For **GALLANTT ISPAT LIMITED**

GALLANTT ISPAT LTD.
Company Secretary

COMPANY SECRETARY
Encl: As above