

GIL/KOL/2017-18

March 24, 2018

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

Sub: Update on Scheme of Subsidy and Decision of the Honorable High Court Allahabad (Lucknow Bench)

This is in continuation of our earlier submission on update on Scheme of Subsidy.

REITERATION OF FACT: *The Govt. of Uttar Pradesh has declared our unit eligible for subsidy under the Industrial Policy of the Government declared vide G.O. No.2941/77-6-2006-10/tax/04 dated 30.11.2006 in the meeting of the High Power Committee held on 10th November, 2009 and have sanctioned an amount of Rs.24.28 Crores as part disbursement against the subsidies. Since the company is declared eligible under the scheme, it is entitled to get the following benefits of the scheme.*

SUBSIDIES EQUIVALENT TO 100% OF FIXED CAPITAL INVESTMENT is available in following form of:

- 20% of Capital Subsidy of fixed capital investment.
- Reimbursement of actual amount incurred on the development of infrastructure facilities like Land, Road, Power, Water etc subject to the maximum 10% of the fixed capital investment.
- 5% additional Capital Subsidy of fixed capital investment being the first unit under this scheme.
- Transport subsidy equivalent to the freight paid on import of raw material; i.e. iron ore from outside the state for a period of 15 years.

GALLANTT ISPAT LTD.



Company Secretary

GALLANTT ISPAT LIMITED

1, CROOKED LANE, SECOND FLOOR, ROOM NOS. 222 & 223, KOLKATA - 700 069
Tel. : 033-4064 2189, Telefax : 033-2231 2429, e-mail : gil@gallantt.com, Website : www.gallantt.com
Factory : AL-5, Sector-23, Sahjanwa, District - Gorakhpur-Uttar Pradesh
Corporate Identification No. : L27109WB2005PLC101650

- **Interest Free Loan** equivalent to commercial taxes for a period of 15 years, repayable after 15 years not exceeding to 100% of the fixed capital investment is available to the eligible units.

EARLIER DECISION AND ACTIVITIES

Hon'ble High Court of Allahabad, Lucknow Bench has pronounced its judgement on 05.11.2015 and:

Directed the State Government to make payment of capital subsidy, infrastructure subsidy and transport subsidy as per scheme forthwith.

Being felt aggrieved by the Order of Honorable High Court, the State Government of Uttar Pradesh has filed Special Leave Petition Appeal bearing no. 3313/2016 before the Honorable Supreme Court. Honorable Supreme Court dismissed the said Special Leave Petition (appeal) filed by the State Government of Uttar Pradesh.

In compliance with the order of Court, State Government issued Government Order (G. O.) dated 30.06.2016 and made the benefits limited against the fixed capital investment only up to May 31, 2009. Benefits of interest free loan were also made limited against the investment made only upto May 31, 2009.

PRESENT STATUS OF THE BENEFIT OF THE SCHEME

Being aggrieved by the aforesaid orders we have filed again the Writ Petition before the Hon'ble High Court, Allahabad of Lucknow Bench, and the same has been decided vide its **order dated 22.03.2018**, Honorable High Court of Allahabad (Lucknow Bench) has decided and ordered brief of which is as under:

The State shall now proceed to grant the benefit of subsidies and interest-free loan to the petitioners as promised by it vide government order dated 1.6.2006 as amended from time to time, read with the government order dated 3.8.2007. The question of eligibility of the petitioners for such benefit is not open for consideration by the State any more. As regards the subsidies, the calculation shall be made in terms of the aforesaid Policy and the said benefits shall be extended to the petitioners, accordingly.

Sri S.K. Pawar, Advocate appearing for Gallantt Ispat Limited contended that his client was entitled to Additional capital subsidy in terms of government order dated 15.02.2007 and High Power Committee Meeting dated 10.11.2009. This shall also be considered accordingly.

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Compliance of this judgment shall be made within 3 months from the date a certified copy of this order is submitted.

We hope and trust that the State Government will not turn this into an unending litigation betraying the trust reposed by industrial units in it and leading to unnecessary wastage of time, energy and money before the Courts.

With these observations, the writ petitions are allowed in the aforesaid terms.

After this winning judgment for the Company and other petitioners, no legal hurdles exist and the State Government of Uttar Pradesh is bound to release and we, being 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 approx. Rs. 400.00 Crores approximately (including interest accrued on the delayed disbursal of the subsidy as per the said Government Policy).

Please acknowledge the receipt of this intimation and oblige.

Thanking you,

Yours faithfully,

For **GALLANTT ISPAT LIMITED**

GALLANTT ISPAT LTD.



Company Secretary

Nitesh Kumar

COMPANY SECRETARY

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