



GIL/KOL/2016-17/

April 05, 2016

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

SUB: OUTCOME OF THE BOARD MEETING – 05.04.2016

The Board of Directors at their meeting held on today the 5th April, 2016, *inter alia* has decided and approved following **important** businesses:

1. PROPOSAL TO EXPAND CAPACITY OF VARIOUS PLANTS:

Meeting discussed that Company had set sales and profitability targets for the coming years and in order to achieve projected sales and profitability targets, installed capacity of the existing plants is bound to be expanded. Management personnel of the Company had approached the technical team for taking their advice on the expansion plan to be designed. The Management of the Company on the recommendation of the technical team has appointed Mecon Limited (A Govt. of India Enterprises) having its Office at Vivekananda Path, Doranda, Ranchi, Jharkhand - 834002 (hereinafter referred to as "**Mecon**") to prepare Techno Economic Feasibility Report (hereinafter referred to as "**TEFR**") on the proposed expansion project of the Company. Mecon has submitted its TEFR to the Company.

Technical team of the Company through its internal appraisal and analysis of various technical and non-technical factors and taking into consideration existing established infrastructure facilities suggested the Board to expand the capacity of various plants.

Based on the TEFR and internal appraisal and analysis of various technical and non-technical factors of the technical team of the Company, Board of Directors decided to expand the capacity of various plants as follows:

Capacity in MTPA

Units	Unit	Existing Capacity	Proposed Addition in Capacity	Total Capacity After Addition
Captive Power	MW	18	28	46

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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

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DRI	MT	99000	49500	148500
Steel Melt Shop (Induction Furnace Route)	MT	167400	0	464400
Steel Melt Shop (Blast Furnace Route)		0	297000	
Rolling Mill	MT	162380	288090	450470
Say finished product (TMT Bars) Capacity				450000

Further, the Chairman placed before the meeting following Capex projections for the above expansion which has been approved by the Board:

DETAILS OF FIXED CAPITAL COST

(Rs. In Lakhs)

S.N.	UNIT	EQUIPMEN T	REFRACT ORY	CIVIL	STRL	ELECT	UTILITIE S	ERECTIO N	D&E	TOTAL
1	Sinter Plant	3767.50	0.00	1048.75	2385.00	0.00	38.75	752.50	250.00	8242.50
2	Blast Furnace	5656.25	771.25	1893.75	1795.00	0.00	698.75	1047.50	312.50	12175.00
3	Energy Optimization Furnace /	3750.00	75.00	1368.75	250.00	0.00	250.00	611.25	250.00	6555.00
4	Billet Caster	125.00	25.00	12.50	62.50	31.25	62.50	25.00	0.00	343.75
5	Rolling Mill for TMT	1875.00	0.00	375.00	125.00	625.00	250.00	25.00	31.25	3306.25
6	CPP 28 MW	5937.50	125.00	1125.00	1000.00	1250.00	250.00	625.00	87.50	10400.00
7	Oxygen Plant	4375.00	0.00	857.50	325.00	0.00	83.75	568.75	187.50	6397.50
8	Utilities (illumination, sub station, IPPL, Fire fighting, Gas, Common Facilities, laborator, roads etc)	0.00	0.00	0.00	0.00	2800.00	0.00	280.00	125.00	3205.00
9	Material Handling Facilities (Common Facilities like bar handling etc)	250.00	0.00	31.25	125.00	25.00	0.00	31.25	12.50	475.00
		25736.25	996.25	6712.50	6067.50	2800.00	1633.75	3966.25	1256.25	51100.00

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 Company Secretary

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Further, for the purposes of technical consultancy and advisory services for proposed expansion projects, management of the Company is in negotiation with Mecon. Mecon has submitted its proposal for the technical consultancy and advisory which is under the review of the management and technical team of the Company.

From the view point of project finance, the Board of Directors decided and resolved that project expansion as above shall be funded by Internal Accruals including amount of subsidy to be disbursed by the State Government to the Company pursuant to the order passed by the Hon'ble Supreme Court of India dated February 29, 2016. Further, the Board decided that any short fall in financing shall be met out of the fresh infusion of Equity Capital or through availing of Term Loan from Banker(s) and it shall be decided from time to time as need arise.

2. APPOINTMENT OF M/S. DILIP BADLANI & CO. CHARTERED ACCOUNTANT AS INTERNAL AUDITORS

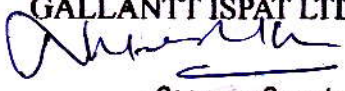
Board of Directors of the Company, based on the recommendation of the Audit Committee, appointed M/s. Dilip Badlani & Co. Chartered Accountants having its Registered Address at 2nd Floor, Chaturvedi Complex, Opp. DIG Bunglow, 33 Kasia Road, Gorakhpur-273001 as Internal Auditors of the Company.

Please acknowledge the receipt and oblige.

Thanking you,

Yours faithfully,

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Nitesh Kumar
(COMPANY SECRETARY)

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