



CHAIRMAN & MANAGING DIRECTOR'S LETTER

My dear Shareowners

It gives me an immense pleasure to share with you the Annual Report of your Company for the Financial Year 2016-17. Although the global outlook appears to pick up slowly, the domestic economic indicators are distinctly positive. With many structural reforms underway the economy is likely to make steady recovery. The slated investment in infrastructure, agriculture and rural hinterland will drive consumption and investment demand. The Indian economy is at a transformative stage and growth momentum on most counts is expected to accelerate. On the domestic front, the progress on key structural reforms including the Insolvency and Bankruptcy Code, Goods and Services Tax (GST), Policy clarity in key infrastructure sectors, higher public investments amongst other initiatives will provide further economic stability and growth impetus.

About Your Company's Position

This has been an exciting year for Gallantt Ispat and we have delivered a good operational and strong financial performance. We continued to focus on cost optimisation and productivity enhancement. We, at Gallantt Ispat, spent considerable time expanding the plant capacity of various units. Expansion programme is in its full swing and it is expected that expansion will be complete within the scheduled time. I am pleased to inform you that after completion of expansion the production capacities of the

Company would be more than double the present capacity. We have completed a significant portion of its capital expenditure on expansion programme that has equipped us to ramp up production and reap benefits of the capex spent. Increasing our existing capacities will boost our cash flows in the years to come. Our primary focus is on delivering value of the highest standard to our stakeholders. We are constantly motivated on improving our quality of production in each of our business through a culture of best practice benchmarking. We have established market place in the state of U.P., Bihar, Delhi and Jharkhand and products of the Company are widely acknowledged in the market. Being a customer-centric organization, we are involved in providing utmost quality products to customers that satisfy their entire requirements. Further, Steel demand outlook is also improving with the Government's affordable housing program and likely start of an investment cycle by FY19.

Our Strong Balance Sheet

Our operations are fundamentally strong and generate superior profit margin. Our consistent focus on deleveraging the balance sheet is visible in the reduction of gross debt.

Our motto and our strength

Our ultimate goal is to create value for our stakeholders in order to deliver sustainable, profitable growth and provide our shareholders with a superior return on their investment, whilst providing each of our employees with a safe workplace where he or she is recognised, developed and properly rewarded.

Our team is the backbone of our organization, without their experience, expertise and commitment we would not have scaled this height that we have in such a short span. Without doubt, our people play a key role in Gallantt's march towards continued excellence.

Thanks,

C. P. AGRAWAL