



CHAIRMAN & MANAGING DIRECTOR'S LETTER

My Dear Shareowners

I am very happily presenting the Annual Report and financial statements of your Company for the financial year 2017-18. FY 2017-18 was a defining year for Gallantt Ispat both in terms of financial performance and strategic growth.

India continues to remain as one of the world's fastest growing economies with a projected growth rate of 7.4% in 2018. The year 2017-18 was marked by a number of key structural reforms such as the Goods and Services Tax (GST), which aims to build strength across macro-economic parameters for sustainable growth. The Insolvency & Bankruptcy Code brought by the Government and passed by the Parliament is a bold step to provide a transparent framework for resolution of distressed assets. These reform measures are expected to have a positive impact on the economy in the long term.

Gallantt business is undergoing a dynamic transition taking the company to the next level. The management is deeply involved in further improving our presence and advantages in the market. The succeeding few years are going to be very important to our company as we capitalize on the company's inherent strengths which are primarily our profoundly advanced processes, practices and the way we engage with our customers.

FY17-18 has been a growing and remarkable year with respect to our top line and margins. Revenue from operations grew by 26% on year to year basis (standalone). Our margins and performance were very satisfactory due to increase in prices of final products of the Company. The Company recorded a growth of 24% in Net Profit on year to year basis (standalone) despite a relatively sluggish industry growth primarily on account of increase in sales volumes and improved cost efficiencies. Innovation is our key constituent for increasing our competitive advantage. Despite the unforeseen challenges from the external environment we continue to strengthen our internal operations by upgrading technology, streamlining processes and rationalization of human resources.

We, at Gallantt Ispat, spent considerable time expanding the plant capacity of various units. Expansion programme is in its full swing and it is almost complete. I am pleased to inform you that on operating at our full production capacities utilisation will boost our cash flows in the years to come. Our primary focus is on delivering value of the highest standard to our stakeholders. To ensure quality, reliability and for the better co-creation of value, many buyers are doing away with multiple suppliers and are consolidating the purchase from large and more dependable partners. Our company is the largest steel manufacturers in the Purvanchal Region of Uttar Pradesh. 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.

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. I would like to take this opportunity to thank all our shareholders for their continued support and confidence in the Company and the management. I also express my sincere gratitude to our customers and suppliers for their trust and support towards the Company. I am also thankful to the employees, the management team and my colleagues on the Board of Directors and all other stakeholders for their significant contribution to the Company.

Thanks,

C. P. AGRAWAL