



LETTER TO SHAREOWNERS

Dear Shareowners,

FY 2017-18 was a defining year for Gallantt Metal both in terms of financial performance and strategic growth. Over the years, Gallantt Metal has grown to be market leader in the State of Gujarat and adjacent states in Steel Sector and has established significant presence in the region. We have traversed dynamic market conditions and challenging demand-supply equations to reach where we are now.

Economic Outlook and Industry

FY 2017-18 was characterised by a broad-based improvement in global growth, rising industrial production, progress on the supply side reforms in China and an uptick in global steel pricing environment.

Compared to the global scenario, the India story remains buoyant and holds significant potential. Firm government reforms, businesses adjusting to transformational policy changes like demonetisation, GST, RERA, etc. and increased spending on welfare and infrastructure needs gels well with the revival of India's growth theme. In FY 2017-18, India grew by 6.7 percent and the IMF growth forecast is 7.4 percent for FY 2018-19 and 7.8 percent in FY 2019-20. It is noteworthy that China's growth in FY 2018-19 will be 6.8 percent making India regain the crown of the fastest growing country among emerging economies.

According to the International Monetary Fund (IMF), the world economy is gathering speed. To make this gain sustainable, shared priorities across economies, which include structural reforms and working towards inclusive growth models, need to be implemented.

The IMF report mentions that 2017 saw the best global growth in seven years, having grown by 3.7 percent. While the growth is broad-based, notable upward surprises in Europe and Asia contributed to the record numbers.

Events around the world in the past year demonstrate a growing willingness of the political leadership to solve geopolitical and trade-related conflicts through debate and dialogue. This approach of world leaders across politics, businesses and regulatory affairs, to find solutions to systemic macro-economic imbalances by sitting across the table bodes well for a more equal world. That said, there are sporadic threats to the world economic order due to countryled

populist measures, ambitions of regional dominance and imbalanced growth within and across economies.

The Indian economy too saw a strong rebound in demand, especially in the second half, demonstrating a healthy resilience to disruptions and structural changes. India's macro fundamentals, such as fiscal deficit and credit rating are improving, and broader based financial reforms are being undertaken through initiatives such as relaxation of FDI rules, enactment of Insolvency and Bankruptcy Code and growth stemming from governmental spending.

Your Company's Performance

For the first time in many years Infrastructure received a big boost in the form of budgetary allocation, and consumer sentiment too is on rise. We are crossing the GDP threshold of US\$2.5 trillion, and a likely thrust on infrastructure development. The medium and long-term outlook for steel demand is very positive. Gallantt Metal is participating in strategic opportunities under this process and is hopeful that quality, efficiency and governance will converge to make better utilisation of some this opportunities.

Being a flagship company of the Gallantt Group, Gallantt Metal is one of the leading steel producer with integrated steel manufacturing capabilities in the Western India. The company has established its presence with strong technological competencies. Poised to lead the market, Gallantt Metal has achieved stellar growth and has maintained its winning streak through the years.

Your Company has delivered good operational performance in FY 2017-18 and recorded a Revenue of ₹ 84,558.04 Lacs and EBIDT at ₹ 9,086.65 Lacs in the Fiscal. Profit before Tax and Profit after Tax stood at ₹ 6,933.53 Lacs and ₹ 4,933.29 Lacs respectively.

Revival in demand in the second half of the year was a key catalyst of our performance and was driven by improving prospects of the auto, construction and capital goods sectors.

We assure you our commitment for continued growth. I would like to thank all our stakeholders including employees, customers, regulators, bankers, vendors, etc. for making this journey memorable and worthwhile. I am confident that with your continued support and cooperation, we shall succeed in leading our mission to a successful conclusion, committed in line with the Government's mission of 'Infrastructural Development of India'.

Yours truly,

C. P. Agrawal