



My Dear Shareowners

We are pleased to present to you our Sixteenth Annual Report for the year 2019-20.

2019-20 was an extremely challenging year for the global economy and was marked by multiple upheavals. Trade conflicts, political uncertainties, heightened volatility in commodity prices with some never before seen developments with respect to crude oil, protectionism etc.

Towards the end of the fiscal, unprecedented impact was witnessed from the global spread of the COVID-19, which caused turmoil across markets worldwide. Fiscal Year 2019-20 was a difficult year for the Indian economy also. During the financial year ended March 2020, the Indian economy registered a GDP growth of 4.2%, declining consistently from Q1 of 2020 when it grew by 5.2%. However, in Fiscal 2019-20, the Indian Economy was benefiting from lower interest rates, witnessed benign inflation, improved liquidity and was on course to witness improved tax collections. Towards the second half of the fiscal, India began to witness early signs of an uptick in business activities signalling return of momentum to Asia's third-largest economy. However, those were short lived as the pandemic has derailed the prospects for higher economic growth in the short term. The pace of recovery is currently uncertain as the country is yet unwinding from the lockdown and the medium to long term outlook is opaque at every level.

2019-20 was a year of two halves for the steel industry. The first half witnessed a weakened demand and subdued pricing environment. The second half saw improving business and consumer sentiment with higher demand and pricing, which was deflated by the coronavirus impact towards the end of March 2020.

Gallantt Ispat is a trusted name in the Steel industry and it has done so by having the right combination of dedicated employees, effective manufacturing processes and a sustained effort of building long term relationships with external stakeholders. Amidst the macroeconomic headwinds and operational challenges, the Company reported Revenue from Operations at ₹ 1,02,010.15 Lacs as against ₹ 1,22,927.06 Lacs during 2018-19. The Profit before Interest, Depreciation and Taxation stood at

₹ 1,00,09.59 Lacs as against ₹ 1,9011.18 Lacs in the previous year registering a shrinking of 47.14%. The Net Profit after Tax for the year fell to ₹ 5,812.42 Lacs from ₹ 13,022.04 Lacs in the previous year. Standalone Earnings per Share (EPS) stood at ₹ 2.06 (face value of ₹ 1/- each) and Consolidated Earnings per Share (EPS) stood at ₹ 2.14 (face value of ₹ 1/- each) for the Financial Year ended March 31, 2020. During the year Company has reported relatively sluggish performance both in terms of profitability and turnover due to the market conditions as it was highly bearish and unfavourable together with low selling prices and disproportionate fall in realisations, with no corresponding downward adjustment in raw material prices mainly iron ore. The outbreak of the coronavirus in India in March 2020 and consequent containment measures imposed by the government impacted business activities. The Company scaled down/suspended production following the imposition of the first phase of nationwide lockdown on 24th March 2020.

In an uncertain future, stability becomes a great virtue. Gallantt Ispat has been constantly working towards being 'prepared-for-future', which is essential to sustainably grow its businesses in all aspects. The ability to foresee changes in trends and enable the organisational changes in order to adapt to those changes at the right time is essential in order to differentiate oneself in the highly competitive global marketplace. We are making continuous investments in our productive assets, and our growth plans are also being formulated, bearing in mind our focus on efficient allocation of capital. The decisions taken to expand our facilities are deeply thought out and followed by meticulous research and planning. Integration is a key pillar of our growth strategy as it enables us to strengthen and reinforce our competitive position. Our products, processes, execution brilliance and robust corporate governance enable us to leverage the right opportunity to unlock value for shareholders, customers, employees, partners and the larger community of stakeholders. We continuously focus in manufacturing quality products thereby moving forward in our journey of being the most inspirational steel manufacture brand for consumers. Rapid urbanisation, increasing population, and infrastructure development, Government initiatives such as 'Make in India' will provide impetus to the growth in steel demand and added advantages to the Company. The plan for building smart cities, affordable housing, dedicated freight and high-speed rail corridors is expected to create significant demand for steel in the country. With leadership position in the Uttar Pradesh, Bihar and Delhi etc. and modern integrated production facilities, Gallantt Ispat is well positioned to capitalise on the opportunities and deliver strong growth even during the pandemic era.

The health and safety of its workforce has always been paramount to Gallantt Ispat. The Company has placed utmost priority on the health and safety of the employees – from testing to contact tracing, monitoring social distancing norms, hygiene at workplace, classifying employee risk levels and providing appropriate healthcare responses, apart from sharing regular travel advisories.

On behalf of the Board, I would like to express my sincere gratitude and thank all stakeholders for being a part of the journey of our business over these years. We appreciate your continued confidence in the resilience and abilities of Gallantt Ispat and also the valuable guidance and endless support extended. We would also like to thank all of our staff members for their tireless efforts to accomplish our goals and bring our vision to life. Gallantt Ispat also acknowledges the support extended by various government agencies. We would also like to express our appreciation to our partners, suppliers, the steel fraternity, investors and other stakeholders for their support and confidence in our business.

Thanks,

C. P. AGRAWAL