



My Dear Shareowners

I am very happily presenting our performance for FY 2018-19 and report that the fiscal 2018-19, despite all the challenges, has been an exciting year for Gallantt Ispat and our adherence to our strategy leaves us confident of a better year ahead.

Focused efforts in expanding the plant capacities and expanding market by looking at the quality products resulted in volume growth to be the highest ever since installation of the manufacturing facilities. We continuously focussing in manufacturing quality products thereby moving forward in our journey of being the most inspirational steel manufacture brand for consumers. FY 2018-19 was an excellent year for Gallantt Ispat and reported the highest ever performance in terms of revenue growth, profitability and strategic growth. Our Company has reported a Revenue from operations at ₹ 1,229.27 Crores grew by 109.46% on year to year basis (standalone) and Profit after tax stood at ₹ 130.22 Crores thereby recorded a growth of 142.87% in Net Profit on year to year basis (standalone). 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.

The Indian economy is likely to grow at around 7% over the next decade. As GDP growth and steel consumption growth have displayed a strong correlation in recent past, steel demand is likely to grow at around 6-7%, which implies that the country would need to produce an additional 7 million tonnes of steel every year with consumption expected to cross the 100 million tonnes milestone in 2019. India's

apparent steel use per capita stood at 70 kg in 2018, which is only one-third of the world average. This indicates that India has a huge potential for steel demand growth. Rapid urbanisation, increasing population, and infrastructure development, Government initiatives such as 'Make in India' will provide impetus to the growth in steel demand. 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. Further, India has set a target of becoming a \$5 trillion economy by 2024, and to bring that target within the realm of reality, the government is likely to spend heavily on developing social as well as economic infrastructure. With leadership position in the Uttar Pradesh, Bihar and Jharkhand and modern integrated production facilities, Gallantt Ispat is well positioned to capitalise on the opportunities and deliver strong growth.

The Company, during its more than a decade existence, has constantly evolved to stay relevant to meet the needs of customers and contribute to nation building. It remains focused on building sustainable value to all our stakeholders while upholding the Gallantt values. At the overall level, I am very happy with the performance we have been able to deliver notwithstanding difficult business conditions. Our Company achieving highest ever growth, is definitely an achievement that every stakeholder of this organisation should be proud of.

Last but not the least, 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. Our journey, our success, is really about our people. Our industry is one that is critically dependent on skilled hands and experience. Our Company is fortunate to have teams of experts, knowledgeable and talented people.

I would like to take this opportunity to thank all our shareowners for their continued support and confidence in the Company and the management.

Thanks

C. P. Agrawal