



## *My Dear Shareowners*

I am pleased to present to you our performance for 2019-20.

Fiscal Year 2019-20 was a difficult year for the Indian economy. Amidst weak business environment, dwindling consumer demand, slowing private investment and global slowdown, the growth of Indian economy decelerated. Despite multiple efforts made by the government to arrest the slowdown, the year registered the lowest growth rate in over six years.

Before we look forward, let's look back. During the financial year ended March 2020, the Indian economy registered a GDP growth of 4.20%, declining consistently from Q1 FY 2020 when it grew by 5.20%. It is hard to pinpoint the exact problem but global growth, trade wars, lower credit growth, and many other challenges came together to make it a difficult year.

At Gallantt Metal, we continue to focus on our five goals; organisational growth, margin, capital efficiency, expanding our capacity and human resources. We have created embedded value in our business by strengthening our core capabilities and remaining responsive to the changing industry dynamics. 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.

Fy20 was a good year but it was not good as we expected. During the year Revenue from Operations stood at ₹ 86,504.66 Lacs as against ₹ 1,06,378.53 Lacs during the last 18-19. The Profit before Interest, Depreciation and Taxation stood at ₹ 3,341.66 Lacs as against ₹ 13,007.79 Lacs in the previous year registering a shrinking of 74.31%. The Net Profit after Tax for the year fall to ₹ 748.23 Lacs from ₹ 7,162.65 Lacs in the previous year. Standalone Earnings per Share (EPS) stood at ₹ 0.92 (face value of ₹ 10/- each) and Consolidated Earnings per Share (EPS) stood at ₹ 2.76 (face value of ₹ 10/- 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 with no corresponding downward adjustment in raw material prices mainly iron ore.

In spite of the odds, we have little demonstrated that the right strategy and focus will deliver consistent and sustainable growth. 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 end of 2019 was shadowed by an uncertainty which led the entire world to a stand-still in 2020. The spread of Coronavirus (Covid-19) compelled all major economies around the world to undergo a forced lockdown to reduce the impact of the pandemic on the health of their people. The lockdown had severe implications on global as well as Indian economic and financial stability. It is expected that global growth will contract by over 3% in 2020, the worst contraction since the 1930s. For the first time since the Great Depression, both advanced and developing economies are in recession together. We anticipate that Covid-19 would have an impact on the Company's performance at least through the Second or Third Quarter of financial year 2020-21. However, 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 Western part of the Country like Gujarat, Maharashtra etc. and modern integrated production facilities, Gallantt Metal is well positioned to capitalise on the opportunities and deliver strong growth even during the pandemic era. Gallantt Metal is confident in its ability to navigate this period through strong financial discipline and cash flow management.

The health and safety of its workforce has always been paramount to Gallantt Metal. 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.

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.

In closing, I would like to extend my sincere gratitude to all who make Gallantt Metal's progress possible. Our employees have ensured that we maintain our position in a competitive landscape; I thank them for their hard work and professionalism. Gallantt Metal 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**