

## From the desk of Chairman and Managing Director



THE YEAR HAS BEEN A GREAT YEAR AS WE CREATED NEWER MILESTONES IN PRODUCTION AS WELL AS REVENUE FROM OPERATIONS. THESE ACHIEVEMENTS ARE PARTICULARLY MOMENTOUS FOR AN EXCITING FUTURE.

**Mr. Chandra Prakash Agrawal**, Chairman and Managing Director, highlights, how the industry and the Company are moving ahead with a well-defined roadmap.

*Dear Shareowners*

### Domestic economy, taking a new shape

As per the recent economic survey, India had a good monsoon, and reservoir levels are higher than last year and the 10-year average. The fundamentals of the Indian economy are sound as it enters its Amrit Kaal, the 25-year journey towards its centenary as a modern, independent nation. Policies pursued carefully and consciously have ensured that the recovery post covid pandemic is robust and sustainable. India's economy in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in the Employee Provident Fund. Recovery of MSMEs was evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) has helped ease their debt servicing concerns. The Mahatma Gandhi National Rural Employment Guarantee

Scheme (MGNREGS) has also been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP).

Gallantt Ispat Limited is attractively placed to capitalize on India's projected 7% GDP growth for 2022-23 through a combination of prudent vertical selection, in-depth knowledge, proven competence, best-in-class assets, transparent governance and spare capacity to grow.

### Steel insight

India, being the second largest steel producer and consumer globally, is currently experiencing a consolidation and an influx of investments from external entities in its steel sector.

This situation offers an advantageous prospect for global manufacturers to explore opportunities within the Indian steel industry. The outlook for the Indian steel industry in 2023 appears promising, considering the country's ambition of becoming a US \$5 trillion economy by 2030 (or possibly even sooner). With a production of 125.32 million tonnes (y-o-y growth of 4.2%), India currently stands as the second largest producer of crude steel worldwide, closely following China. It is expected that domestic steel demand in India is expected to be 128.9 million tonnes during 2023-24, up from 119.9 million tonnes during the previous year. In line with the expectations of the National Steel Policy 2017, the annual production of steel is anticipated to exceed 300 million tonnes by 2030-2031. By 2030-31, crude steel production is projected to reach 255 million tonnes. The growth prospects and steel industry outlook in India is favourable. Recent changes in import duties on steel, complemented by the rising demand for affordable housing, infrastructure development and construction projects, has led to a pan-India need for steel metal. Our robust manufacturing process and product pipelines is fully geared to look forward to healthy growth across the key states where our sales network is present.

### Reviewing 2022-23

We have been able to script a success story by registering a healthy growth in turnover of from ₹ 3,01,737.60 Lakhs in FY 2021-22 to ₹ 4,03,458.27 Lakhs in FY 2022-23. At a time when most manufacturers struggled to create demand for their products, our Profit before Interest, Depreciation and Taxation stood at ₹ 36,736.17 Lakhs as compared to ₹ 34,985.99 Lakhs in the previous year.

### Outlook for FY 2023-24 and beyond

While the results achieved in FY 22-23 were satisfactory, we are working towards accelerating this momentum of profitable growth and quite hopeful of achieving new milestones based on the following expectations in the near term:

- Full utilisation of our existing product mix.
- Optimisation, upgradation, commissioning of newer capacities.
- Continued focus on cost reduction.

### Upping our ante

Sustainability lies at the heart of our business strategy. We understand that building a sustainable future is the key to fostering a self-reliant India. We believe that sustainable

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prosperity visibly shows itself in the form of inclusive growth. Therefore, our focus remains on delivering value to all stakeholders involved.

Our employees serve as the backbone of our organization, providing us with a sturdy foundation. They serve as our sources of inspiration and motivate us to continually elevate our standards. The principles of empathy and mutual support fuel our drive towards growth. In essence, our journey towards expansion imbues us with a strong sense of accomplishment and satisfaction.

I am immensely grateful to every stakeholder for their unwavering faith and trust in us. Our commitment to preserving your trust remains strong, and we pledge to persistently pursue our stated mission with ingenuity, vision, and steadfastness. In simpler terms, we will persist in leveraging our superior performance and shape the future of our Company to newer heights.

With warm regards

**Chandra Prakash Agrawal**