

**GALLANTT**

**GALLANTT ISPAT LIMITED**



# ANNUAL REPORT 2021-2022

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18TH ANNUAL GENERAL MEETING	
Date	29.09.2022
Day	Thursday
Time	3.30 P.M
Place	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
Book Closure Date for AGM	Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive)

Company has recently concluded a Scheme of Arrangement. In accordance with the Scheme, name of the Company has been changed from Gallantt Metal Limited to GALLANTT ISPAT LIMITED.



## What does the cover signify ?

The cover page design for this year combines various blocks which together completes to become a beautiful iron product. These blocks all together represents the growth trajectory of **Gallantt Ispat Ltd** in the domestic iron & steel industry.



Scan this QR code to navigate Reports and other investor information

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Chandra Prakash Agrawal**  
Chairman & Managing Director

**Mr. Dinesh R. Agarwal**  
Whole Time Director

**Mr. Prashant Jalan**  
Director-Plant Operation

**Mr. Nitin Mahavir Prasad Kandoi**  
Director  
(Appointed as Whole Time Director  
w.e.f. June 01, 2022)

**Mr. Ashtbhuja Prasad Srivastava**  
Non-Executive Independent Director

**Mrs. Nishi Agrawal**  
Non-Executive Independent Director

**Mr. Jyotirindra Nath Dey**  
Non-Executive Independent Director

**Mr. Udit Agarwal**  
Non-Executive Independent Director

## AUDITORS

ALPS & CO.  
Chartered Accountants

## COST AUDITORS

U. Tiwari & Associates  
Cost Accountants

## CHIEF FINANCIAL OFFICER

Mr. Sandip Kumar Agarwal

## COMPANY SECRETARY

Mr. Nitesh Kumar  
(Appointed w.e.f. August 10, 2022)

## REGISTERED OFFICE

"GALLANTT HOUSE", I-7, Jangpura Extension,  
New Delhi – 110014.  
Telefax: 011-45048767  
Website: www.gallantt.com

## BANKERS

State Bank of India  
HDFC Bank

## EQUITY SHARES LISTED

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

## REGISTRARS & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.  
7th Floor, Room, No. 7A & 7B,  
3A, Auckland Rd, Elgin, Kolkata,  
West Bengal – 700017.  
Tel.: (033) 2280 6616 / 17 / 18  
Email id: nichetechpl@nichetechpl.com  
Website: www.nichetechpl.com

## WORKS OFFICE

Near Toll Gate, Village - Samakhali, Taluka -  
Bachau, District – Kutch, Gujarat

AL-5, Sector-3, GIDA, Sahjanwa, Gorakhpur, U.P.

## AUDIT COMMITTEE

Mr. Ashtbhuja Prasad Srivastava – Chairperson  
Mr. Jyotirindra Nath Dey  
Mr. Nitin Mahavir Prasad Kandoi

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Nitin Mahavir Prasad Kandoi - Chairperson  
Resigned w.e.f. June 10, 2022  
Mrs. Nishi Agrawal  
Mr. Jyotirindra Nath Dey  
Mr. Udit Agarwal - Chairperson  
(Appointed w.e.f. June 10, 2022)

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Jyotirindra Nath Dey - Chairperson  
Mrs. Nishi Agrawal  
Mr. Udit Agarwal  
(Appointed w.e.f. June 10, 2022)  
Mr. Nitin Mahavir Prasad Kandoi  
(Resigned w.e.f. June 10, 2022)

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Jyotirindra Nath Dey - Chairperson  
Mr. Chandra Prakash Agrawal  
Mr. Dinesh R. Agarwal


## COMMITTEE OF DIRECTORS

Mr. Chandra Prakash Agrawal-Chairperson  
Mr. Dinesh R. Agarwal  
Mr. Nitin Mahavir Prasad Kandoi

## RISK MANAGEMENT COMMITTEE

Mr. Jyotirindra Nath Dey - Chairperson  
Mr. Nitin Mahavir Prasad Kandoi  
Mr. Udit Agarwal





**The Indian iron & steel industry has seen some steady growth in the recent times. Increasing per capita consumption, growing focus on infrastructure creation and making country self reliant through Atma Nirbhar Bharat and Production Link Incentives (PLI) are some of the positives across the sector.**

# Gallantt Ispat Limited capitalised on these realities by utilising its deep industry expertise, solid financial position and upgraded capabilities.

**Result:** We have not just been enhancing our capacities to reduce costs but has also been able to maintain the growth momentum despite successive outbreaks of Covid-19 pandemic. We increased our margins substantially over the last year.

We have delivered this exceptional performance by strengthening our operational capabilities, by implementing lessons learnt from the past and by further enhancing our customers' satisfaction.

At Gallantt Ispat, we have always focussed on what lies ahead of us.

And it is this focus on future that gives us both the confidence and conviction to continue on this growth trajectory.

And this is how we are accelerating towards a secure future.

By producing high quality and repeatedly demanded intermediate and finished products in the iron & steel segment, by being a more agile Company with lower overhead costs and by being more environmentally responsible.



# Introducing Gallantt Ispat Limited

Headed by visionary entrepreneur, Mr. Chandra Prakash Agrawal its Chairman & Managing Director, the Company has touched new heights of success in the domestic iron & steel industry for its unique product quality widely accepted in the infrastructure industry.

➤ Incorporated <b>2005</b>	➤ Corporate Headquarter <b>Gorakhpur, U.P.</b>	➤ Plant locations <b>Gorakhpur, U.P. Kutch, Gujarat</b>
➤ Products manufactured and Capacity <b>Sponge Iron: 9,18,000 MTPA MS Billets: 9,57,000 MTPA TMT Bars: 9,50,000 MTPA</b>	➤ Customer profile <b>Large Indian conglomerates, Real estate developers of repute and Key Government departments</b>	➤ Shares listed <b>National Stock Exchange of India Limited Bombay Stock Exchange Limited</b>
➤ Captive Power Capacity <b>129 MW</b>	➤ Key customers proximity to plant <b>300 Km</b>	➤ Market Capitalisation <b>₹ 1,60,000 Lakhs</b>

## Vision

- Creating an indelible imprint for ourselves in the primary Steel business.
- Ensuring the best quality in the industry at the minimum affordable cost.
- Ensuring the sense of achievement, success and self-fulfillment for all connected with the Gallantt Group.
- Value creation for our share owners and value generation for our Nation.






## Mision

- Focus to Foster Personal growth in accordance with Group's vision
- Resource Optimization and Productivity improvement.
- Focus on Quality, Trust and Leadership.
- Sustainable development for society at large and our all stakeholders.

# Growth drivers of tomorrow

We operate in a highly regulated and competitive industry. Our singular focused product portfolio with multiple integration measures adopted by us has allowed us to respond to the many opportunities and challenges we face, while delivering value for all our stakeholders. It enables us to remain agile with the belief that steel is an integrated part of life.

## FOCUS CAPITALS

<b>FINANCIAL</b> 	<p>We generate financial capital in the form of surplus arising from current business operations as well as through financing activities, which include restructuring of debts aligned with market conditions and other re-investments for future growth opportunities and rewarding shareholder with a long-term vision.</p>	<p>Shareholders' Equity: ₹ <b>2,08,311.94 Lakhs</b>            Return on Networth: ₹ <b>8.82%</b>            Cash generated from operations: ₹ <b>29,051.54 Lakhs</b>            Operating Profit: ₹ <b>34,985.99 Lakhs</b></p>
<b>MANUFACTURING</b> 	<p>We continuously invest in our integrated iron &amp; steel plant through various integration measures, while ensuring the safety and reliability of our operations. This also supports our strong and sustainable cash flow generation.</p>	<p>Gross Block: ₹ <b>1,44,194.71 Lakhs</b>            Sponge Iron Production: <b>4,88,999.81 MT</b>            Sale of Sponge Iron: <b>4,90,310.426 MT</b>            Billet Production: <b>6,02,726.11MT</b>            Sale of Billet: <b>6,03,459.32 MT</b></p>
<b>STAKEHOLDERS</b> 	<p>Values relating to our relationships with other people, society in general and other organisations. It includes trust placed in us by our shareholders, customers, suppliers, employees, society, and the impacts that we have from everything we do.</p>	<p>Social Contribution: ₹ <b>305.22 Lakhs</b>            Salary, wages, other employee benefit expenses: ₹ <b>7,203.60 Lakhs</b>            Contribution to national exchequer: ₹ <b>6,146.45 Lakhs (Income Tax)</b>            ₹ <b>44,046.56 Lakhs (GST)</b></p>
<b>INTELLECTUAL</b> 	<p>Technology and a culture of continuous improvement are key enablers towards achieving the strategic objectives of industry leadership and cost leadership.</p>	<p>Finance Cost: ₹ <b>2,046.35 Lakhs</b>            Products certified with:  <b>ISO 9001:2008, Bureau of Indian Standard (ISI), ISO 9001:2000 and H &amp; K (Germany).</b></p>
<b>NATURAL</b> 	<p>We depend on natural resources which constitute our key raw materials. At the same time, land and water are indispensable for our operations. We strive for excellence in environmental performance and resource efficiency to mitigate our ecological footprint.</p>	<p>Captive Power generated: <b>53,27,46,256 KWH</b></p>



# Management's insight



**Mr. Chandra Prakash Agrawal**  
*Chairman and Managing Director,*  
*analyses*

*HOW GALLANTT  
ISPAT LIMITED IS  
GROWING IN THE  
RIGHT WAY.*



**Q** Was the management pleased with the working of the Company during the year under review?

**A** The management was delighted to present excellent financials during the year under review. The Company reported revenues from operations of Rs.3,01,737.60 Lakhs during the year and PAT of Rs. 17,583.93 Lakhs. The highlight of our achievement was not just a record performance. What was creditable was that we reported profitable growth during the year by achieving 25.82% growth at the EBITDA level.

**Q** What reasons accounted for the profitable growth?

**A** In a business where our realisations are controlled largely by the market cycles (for steel industry), we believe that much of the growth is actually derived from our ability to generate surpluses from within. Over the last few years, the Company strengthened this inward-outward focus through a more visible manifestation of that one corporate strength that we deeply pride upon: our culture of passion and planning.

At Gallantt Ispat, we brought an unusual passion to our workplace every single day. We continued to believe that this is the only insurance in a sector where realisations are largely beyond our control and the only realities that we can truly control is our enriched multi product domain in which one product acts as an intermediatery for the other thereby generating multi sources of revenue; robust product quality and operating efficiency.

There is a good reason why passion and planning has a critical role to play in our Company. We are a multi-decade enterprise, with focus on producing –

Sponge Iron, MS Billets and TMT Bars. Through a set of dedicated customer base and repeat orders backed by meticulous planning we were able to achieve growth and create a holistic shareholders value.

**Q** How did this passion and planning play out in your Company in 2021-22?

**A** I am proud to state that this is the area in which Gallantt Ispat distinguished itself.

Over the last 5 years, by meticulous planning the Company has made considerable investment in continuous upgradation of its manufacturing facility through the infusion of latest technologies. They were benchmarked with the best productivity standards of the day, translating into a high operating efficiency and output quality.

**Q** How did these initiatives translate into improvements?

**A** I am pleased to report that the by-product of our passion was the ability to address the emerging requirements of customers. We trained our people to look for areas of underperformance with the singular passion to remove blockers and enhance efficiency; we continued to believe that whatever was good could be made better; we encouraged the mindset that behind every challenge lies attractive opportunity.

In doing so, we manufactured superior grades of varied steel products with consistently high quality. We delivered products around a superior price-value proposition. We delivered products just when the downstream user industries needed them. For instance, during the year under review, the Company



manufactured 4,80,041.52 tonnes of TMT bars.. Although this came under a challenging Covid scenario but due to our products strong brand recall and governments impetus on a robust infrastructure creation led us to overcome all challenges.

**Q What were some of the reasons that contributed to this strong results?**

**A** During the year when the entire industry was witnessing a higher phase of growth we took a differentiated approach through upgradation and installation of Pelletisation plant. While most large steel companies consume calibrated iron ore, an expensive option, we focused on securing resources without investing significant capital expenditure in mine acquisition. Thus, we are planning to install a 7,92,000 MTPA pellet plant at a fraction of the typical cost of mine acquisition. In doing so, we would be able to consume iron ore fines.

Although efficiency improvement has always been an ongoing process at Gallantt Ispat to improve realisations, we also focused on the long-term security of raw materials by long-term agreements with various vendors to offset any input cost volatilities. Over the years our various process upgradation transpired into higher realisations of today. This was backed by attractive finished good prices. As a result, the Company's EBITDA and net profit after tax margins stood at 11.59% and 5.83% respectively.

The Earnings per share for the full year from continued operations was Rs. 7.29, representing a solid growth of 18.92%, in agreement with our commitment to maximize value for our investors. Hence, this year is marked by a robust bottom-line growth led by strong cost control measures on the back of various integration measures.

**Q How is the Company focusing on people and the planet besides chasing profits?**

**A** At Gallantt Ispat we have always held the belief that the viability of our Company depends on our ability to safeguard our area of operations from emissions and effluents. With the aim of fully complying with numerous regulatory requirements and broadening our Environmental, Social, and Governance (ESG) obligations, the Company made proactive investments in people, plant, and processes. We are formulating our ESG strategy, along with a short-term and long-term roadmap in consultation with all stakeholders. Our target is to reduce specific direct net CO2 emissions. Further, we have augmented our capacities to meet our energy requirements through captive power, reducing wastages by using alternate sources of raw materials without compromising on the quality of finished products. We strive to increase water efficiency, minimise waste water, recharge ground water sources, maintain zero-effluent discharge and significantly reduce noise and dust pollution. We also continue to support various communities beside our plant, employ the local talent, and promote healthcare, rural development projects and projects towards upliftment of the society in

general. We are also inspired to look more closely at the human capabilities that strengthen our businesses. The human resource empowers our people and helps build a culture of transparency & ownership. We combine professionalism with the binding values of family, support and respect employees, and promote entrepreneurship to provide a happy and caring culture. This not only improves employee wellbeing and productivity, but it also propels them to higher goals of going beyond self and organisation to serve the consumers and make a tangible difference to their lives. This ultimately translates into financial performance and customer satisfaction. Besides, our strong focus on various governance standards with the insight of a strong management team has always held us in creating value based growth for the stakeholders of our Company.

**Q How do you see the domestic steel industry shaping?**

**A** In the hierarchy of human needs, steel and energy are paramount. Steel sector in India has traversed a fascinating journey from a mere 1 MT at the time of independence to 120 MT in the last (2021-22) financial year. In India per capita consumption of steel grew by 10% to 77 kg during the financial year 2021-22. India has exported a record 13.5 million tonnes of finished steel in the year 2021-22 with a record production of over 120 million tonnes of crude steel and 113.6 million tonnes of finished steel. With huge availability of minerals in the country and various ambitious plans by the government through - National Steel Policy, Scrap Recycling Policy, Production-linked Incentive (PLI) scheme, 'Making Eastern India a manufacturing hub with respect to metallurgical industries' and 'Mission Purvodaya'. Looking at all these factors, I am quite bullish that the metal sector is expected to play a major role in the country's ambitious plans of self-reliant India and USD 5 trillion economy.

**Q How is the Company accelerating towards the future?**

**A** We aim to be one of the top five iron & steel manufacturers in India in the near future and all our investments and strategies are aimed towards achieving this transition. The capital expenditures we have made over the last few years mean that we are more agile and stable. These investments, coupled with process improvements, also mean we are well prepared to handle more volume and are well positioned to cater to the growing demands.

**Q What is the outlook for the years ahead?**

**A** At Gallantt Ispat, our outperformance is derived from our strategic focus to be a low cost iron & steel products manufacturer with a growing systemic integration on new technologies and processes. In a bid to extend our value chain, we intend to explore new opportunities and establish our status as a multi-product Company. In line with these statements of intent, we expect to possess one of the highest finished steel production capacity in India. We believe that all these efforts will not only enhance our profits but will also enrich our organisational value.

# Rising higher, reaching further through growth and stability

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**Ind A**

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instruments

India Rating & Research

**Ind A1**

for short-term financial  
instruments