



GML/DEL/2022-23

May 27, 2022

The Manager Bombay Stock Exchange Limited Floor 25, P J Towers, Dalal Street Mumbai- 400 001. INDIA. Scrip Code: 532726	The Manager National Stock Exchange of India Limited "EXCHANGE PLAZA", Bandra – Kurla Complex, Bandra (East) Mumbai - 400 051. INDIA. Symbol: GALLANTT
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Sir/Madam,

SUB: PRESS RELEASE

Please find enclosed herewith our Press Release relating to Financial Results of the Company and Sanction of Amalgamation by the Honorable National Company Law Tribunal, which we shall be releasing after sending this letter to you.

This is for your information and dissemination.

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Thanking You,

Yours faithfully,

For GALLANTT METAL LIMITED

GALLANTT METAL LIMITED


Company Secretary

Arnab Banerji

COMPANY SECRETARY

M. No. A59335

Encl: As above

GALLANTT METAL LIMITED

Registered Office : "GALLANTT HOUSE", I-7, Jangpura Extension, New Delhi -110 014

Telefax : 011-45048767, E-mail: gml@gallantt.com, Website : www.gallantt.com

Office : Ward-10 BC, Plot No. 123, Ground Floor, Gandhidham, Kutch, Gujrat-370 201, Tel.: 02836-395626 / 395636 Fax : 02836-235787

Works : Near Toll Gate Village - Samakhlyali, Taluka-Bhachau, Kutch - Gujrat, Tel.: 91 98 795 60878, Fax : +91 2837 283690

Corporate Office: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700069 Tel: 033-46004831

Corporate Identification No. : L27109DL2005PLC350524



GALLANTT METAL LIMITED

Registered Office: "GALLANTT HOUSE", I-7, Jangpura Extension,
New Delhi-110 014, Phone: 011 41645392

FY22 revenues (post merger): Rs 3,017cr

FY22 EBITDA (post merger): Rs 350cr

FY22 PAT (post merger): Rs 176cr

Amalgamation of Gallantt Metal Limited & Gallantt Ispat Limited
completed

Merged entity with capacity of 9.5 lakh ton per annum TMT bars
Stronger balance sheet, enhanced scale creates platform for strong
growth

New Delhi, May 26, 2022: Gallantt Metal Limited, with integrated steel manufacturing operations spread across Kutch in Gujarat and Gorakhpur in Uttar Pradesh today announced its results for the fourth quarter and year ended March 31, 2022.

The merger of the two listed entities, namely Gallantt Metal and Gallantt Ispat has been completed on May 24, 2022. For ease of understanding of the merged entity, however, a proforma of the merged entity's financials for Q4 and FY2022 is presented.



STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Sl No.	Particulars	Quarter ended			Year ended	
		31.03.2022	31.03.2021	31.12.2021	31.03.2022	31.03.2021
		Audited	Audited	Unaudited	Audited	Audited
1.	Income from operations					
	(a). Revenue from operations	86,309.30	75,983.54	82,987.55	3,01,737.60	2,10,514.42
	(b). Other income	4,361.15	1,182.41	317.21	5,360.80	883.45
3.	Total income (1 + 2)	90,670.45	77,165.95	83,304.76	3,07,098.40	2,11,397.88
4.	Expenses					
	(a). Cost of raw materials consumed	69,905.96	55,470.54	62,584.11	2,45,703.81	1,55,958.57
	(b). Purchase of stock in trade	264.86	97.70	158.41	657.22	923.89
	(c). Changes in inventories of finished products, work in	(4,338.09)	1,979.53	5,358.43	(5,082.95)	1,567.95
	(d). Employee benefits expense (Refer Note 7)	1,946.20	1,780.07	1,882.49	7,203.60	6,363.90
	(e). Finance costs	550.20	618.77	451.86	2,046.35	2,173.21
	(f). Depreciation and amortization expense	2,265.90	2,435.62	2,315.48	9,209.26	9,179.95
	(g). Excise duty	0.00	0.00	0.00	0.00	0.00
	(h). Other expenses	7,535.04	6,197.11	5,576.64	23,630.73	18,776.55
	Total expenses [4(a) to 4(h)]	78,130.07	68,579.34	78,327.42	2,83,368.02	1,94,944.03
5.	Profit / (loss) before exceptional items and tax (3 - 4)	12,540.38	8,586.61	4,977.34	23,730.38	16,453.85
6.	Exceptional items	0.00	0.00	0.00	0.00	0.00
7.	Profit / (loss) before tax (5 + 6)	12,540.38	8,586.61	4,977.34	23,730.38	16,453.85
8.	Tax expense / (credit)					
	(a) Current tax	3,131.66	2,151.96	1,267.08	3,888.10	2,511.09
	(b) Deferred tax	518.66	629.20	804.05	2,258.35	1,584.50
	Total tax expense / (credit)	3,650.32	2,781.16	2,071.13	6,146.45	4,095.59
9.	Net Profit / (loss) for the period (7 - 8)	8,890.06	5,805.45	2,906.21	17,583.93	12,358.26
10.	Other comprehensive income (Net of tax)					
	(a) Items that will not be reclassified to profit or loss	19.52	109.08	29.34	196.31	118.71
	(b) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00
	Total other comprehensive income (A + B)	19.52	109.08	29.34	196.31	118.71
11.	Total comprehensive income (9 + 10)	8,909.58	5,914.53	2,935.55	17,780.24	12,476.97

Financial Performance Overview

Q4FY22 vs. Q4FY21

- Revenue from operations improves by 14% to Rs. 863 Crore compared to Rs. 760 Crore largely due to an increase in sales volumes
- EBITDA increases by 33% Y-o-Y to Rs. 154 Crore compared to Rs. 116 Crore. An enhanced thrust on cost rationalization translated to improved EBITDA margins
- PAT increases by 53% to Rs. 89 Crore compared to Rs. 58 Crore

FY22 vs. FY21

- Revenue from operations improves by 43% to Rs. 3017 Crore compared to Rs. 2105 Crore on the back of higher sales volumes
- EBITDA increases by 26% Y-o-Y to Rs. 350 Crore compared to Rs. 278 Crore. EBITDA margin strong due to cost rationalization and reduced power cost
- PAT increases by 42% to Rs. 176 Crore compared to Rs. 124 Crore due to multiple cost rationalization efforts like usage of captive power and a favourable rail: road mix

As on March 31, 2022, the Company has no long term debt on its balance sheet.

Operational performance overview

During the year under review the Company has undertaken several initiatives to enhance its operational efficiencies. Both plants operate now almost entirely on captive power and have limited if any dependence on the grid. An improving rail road mix further drives operational efficiencies.

Details of installed capacity

Item	Gorakhpur Unit	Kutch Unit	Total
Sponge Iron	544500	373500	918000
Billet	528000	429000	957000
TMT Bars	528000	422400	950400
Power	78 MW	51 MW	129 MW
Pellet under installation	792000		

Branding

As part of its endeavor to better connect with the customer and build appreciation for the strength and quality of its product, the Company has signed Bollywood Superstar and actor Ajay Devgan as its brand ambassador for a period of two years. Gallantt uses Ajay Devgan's name as part of its sales promotions, advertisements and digital marketing in print, social and visual media.

Key Customers/ Project

Some of the key customers of Gallantt in western India include Reliance Industries, Adani State Management, Welspun and other corporates besides retail customers. In Uttar Pradesh the Company's customers include U.P State Bridge Corporation. U.P. Rajkiya Nirman Nigam, Shalimar Corp besides retail consumers. Gallantt TMT bar has also been approved in the prestigious construction project of the Shri Ram Janmabhoomi Temple at Ayodhya.

Commenting on the performance & amalgamation, Chairman & Managing Director, Mr. C.P. Agarwal, said, *"We are very happy with our performance for the quarter and year under review. Continuing strong demand from both the Government and private sector was well supported by high utilization levels at both our facilities. The completion of the amalgamation of Gallantt Metal and Gallantt Ispat offers us scale and efficiency benefits which will contribute positively in FY23.*

The new merged entity also possesses a strong balance sheet that will help to further support our growth plans. Gallantt Metal is optimally placed to create value for all its stakeholders"

Amalgamation overview



Details of the amalgamation

The amalgamation of Gallantt Metal Limited and Gallantt Ispat Limited, which operate integrated steel plants at Kutch, Gujarat and at Gorakhpur, Uttar Pradesh respectively was approved on May 24, 2022 by the Honorable National Company Law Tribunal, New Delhi (NCLT). The record date for the said transaction is 7th June, 2022.

Amalgamation Rationale

The amalgamation is expected to translate to improved synergies and efficiencies for the merged entity. Both companies have integrated steel plants and produce the same product i.e. TMT bars. This merger helps to reduce overheads and streamline decision making. Our expanded scale enables improved sourcing of raw materials and other inputs. From a financial perspective too, a larger balance sheet helps us to better take advantage of growth opportunities.

The new resultant merged entity has a manufacturing capacity of approx one million TPA TMT bars and captive generation facility of 129 MW which is fully utilized and sufficient for our operation.

Outlook

The Company has in place strong growth plans to enable it to respond to the increasing focus on infrastructure enhancement particularly in Uttar Pradesh and Gujarat and neighboring states. Concurrently its emphasis is on enhancing the efficiency of its operations so as to drive profitable growth.

The Company has undertaken expansion of capacities at its Gorakhpur Unit at a total fixed capital investment of approx. Rs.600 Crore. **This entire capex has been funded from internal accruals.** Of the total investment approximately Rs.530 Crore has already been spent translating to a balance required investment of Rs 70 Crore. Increase in capacities of TMT Bars and billets from 3,30,000 TPA to 5,28,000 TPA has been completed. The power plant capacity has also been enhanced from 53 MW to 78 MW. Both these capacities now commercially operational. An 8.00 Lac TPA Pellet Plant is under installation and expected to be commercially operational by December, 2022. On completion of this backward integration, the Company will utilise iron ore fines as raw material instead of iron ore or iron ore pellets, which in turn translates to improved productivity and profitability.



About Gallantt Metal Ltd

Gallantt Metal Ltd is a seventeen-year-old company operating at Kutch, Gujarat and at Gorakhpur, Uttar Pradesh.

At Kutch, Gujarat unit, the operations are spread over 116 acres of free hold land which house an integrated steel plant that manufactures Sponge Iron, Mild steel billets and Re-Rolled products (TMT bars). To cater to its power requirements, the Company has also set up a 51 MW captive power plant to meet its power needs.

The Gorakhpur, U.P unit operates across 113 acres of land. The operations comprise an integrated steel plant to manufacture Sponge Iron, Mild Steel Billets and Re-Rolled products (TMT bars). To cater to its power requirements, the Company has also set up a 78 MW captive power plant to meet its power needs. Unit has its own private railway siding for transportation of raw material that is iron ore and coal.

Around 5000 people are employed directly or indirectly across both plants.

For more information on the Company, please log on to www.gallantt.com or contact:

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Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Gallantt Metal Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

