



GODAWARI POWER & ISPAT LTD

Q3 FY2018

Investor/Analyst Presentation

20-01-2018



GODAWARI POWER & ISPAT

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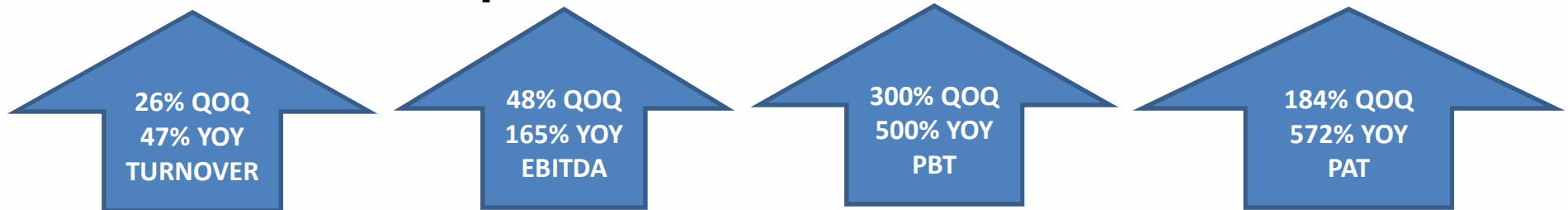
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Key Financial Achievements

Standalone quarter ended December 2017 – GPIL



- Increase in Turnover QOQ **26%** YOY **47%**
- Increase in EBITDA QOQ **48%** YOY **165%**
- Increase in PBT QOQ **300%** YOY **500%**
- Increase in PAT QOQ **184%** YOY **572%**
- Highest Ever Quarterly EBITDA of **Rs.125 Cr** in Q3FY18
- Highest Ever Quarterly PAT of **Rs. 64 Cr** in Q3FY18
- Turn around from PAT of **Rs. -88.49 Cr** in 9MFY17 to PAT of **Rs. 93.55 Cr** in 9MFY18 (increase by **206%**)

Key Operational Highlights

Standalone quarter ended December 2017 – GPIL

- Iron Ore mining increased by **1.12 Lakh MT (35% up)** on QOQ Basis
- Highest ever monthly and quarterly production of Iron Ore Pellet of **1.81 Lakh MT and 4.62 Lakh MT** respectively
- Highest ever monthly generation of Power of **4.5 Cr KWH** during Dec'17
- YOY Production of Iron Ore Pellet increased by **31%**
- YOY Production of Steel Billets increased by **52%**
- YOY Production of HB Wire increased by **76%**

Trend of Sales Realisation

| SALES REALISATION (PER MT (RS)) COMPARISION | | | | |
|---|------------------------|-----------------------|--------|--------|
| S.No. | Description of Goods | For the Quarter ended | | |
| | | Q3FY18 | Q2FY18 | Q3FY17 |
| 1 | Iron ore Pellet – GPIL | 5,306 | 5,107 | 4,520 |
| 2 | Iron ore Pellet - ASL | 5,862 | 4,851 | 4,399 |
| 3 | Sponge Iron | 16,435 | 15,394 | 12,925 |
| 4 | Steel Billets | 26,791 | 26,074 | 21,334 |
| 5 | M.S.Round | 31,070 | 30,995 | 25,812 |
| 6 | H.B. Wire | 33,060 | 32,696 | 27,750 |
| 7 | Ferro Alloys | 63,913 | 64,017 | 56,574 |

- QOQ realisation of Iron Ore Pellet increased by **4%** - GPIL
- QOQ realisation of Sponge Iron increased by **7%**
- YOY realisation of Iron Ore Pellet increased by **17%**
- YOY realisation of Sponge Iron increased by **27%**

Trend of Production

| S.No. | Description of Goods | M.T./ KWH | For the Quarter ended | | |
|-------|-------------------------------|--------------|-----------------------|----------|----------|
| | | | Q3FY18 | Q2FY18 | Q3FY17 |
| 1 | Iron Ore Mining | M.T.s | 4,32,660 | 3,20,802 | 3,31,027 |
| 2 | Iron Ore Pellet - GPIL | M.T.s | 4,62,900 | 4,37,200 | 3,52,150 |
| 3 | Iron Ore Pellet - ASL | M.T.s | 1,45,282 | 1,42,383 | 1,48,545 |
| 4 | Sponge Iron | M.T.s | 1,04,386 | 1,17,683 | 1,03,791 |
| 5 | Steel Billets | M.T.s | 44,872 | 52,590 | 29,598 |
| 6 | M.S. Round | M.T.s | 39,002 | 32,674 | 8,092 |
| 7 | H.B. Wire | M.T.s | 31,947 | 31,208 | 18,126 |
| 8 | Ferro Alloys | M.T.s | 3,424 | 3,465 | 3,131 |
| 9 | Power Generation - GPIL | Units (Cr) | 11.74 | 12.42 | 9.11 |
| 10 | Solar Power Generation - GGEL | Units (Cr) | 2.37 | 2.33 | 2.32 |

Godawari Power and Ispat Limited

Unaudited Consolidated results

Rs.'Cr

| Particulars | Q3FY18 | Q2FY18 | Q3FY17 | 9MFY18 | 9MFY17 | Audited FY17 |
|---------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Net Sales | 672.08 | 554.65 | 466.86 | 1,845.91 | 1,362.71 | 1,994.08 |
| Total Expenses | 503.37 | 435.16 | 377.03 | 1,456.41 | 1,174.12 | 1,703.41 |
| Other Income | 0.55 | 0.72 | 5.96 | 4.72 | 12.35 | 15.40 |
| EBITDA | 169.26 | 120.22 | 95.78 | 394.22 | 200.94 | 306.07 |
| Depreciation | 32.83 | 33.52 | 29.42 | 99.28 | 89.17 | 120.09 |
| Finance Costs | 65.09 | 66.41 | 73.48 | 197.14 | 205.01 | 259.15 |
| PBT | 71.33 | 20.29 | -7.11 | 97.79 | -93.24 | -73.17 |
| Exceptional Items | -0.10 | 13.80 | - | 13.70 | - | - |
| Tax | -2.45 | 5.44 | 2.48 | 2.99 | -2.15 | 0.72 |
| PAT | 73.68 | 28.65 | -9.59 | 108.50 | -91.09 | -73.89 |
| Key Financial Indicators | | | | | | |
| EBITDA Margin (%) | 25.18% | 21.67% | 20.52% | 21.36% | 14.75% | 15.35% |
| PAT Margin (%) | 10.96% | 5.17% | -2.05% | 5.88% | -6.68% | -3.71% |
| EPS | 21.11 | 8.33 | -2.81 | 31.39 | -27.63 | -22.51 |



Godawari Power and Ispat Limited

Unaudited Standalone Results

Rs.'Cr

| Particulars | Q3FY18 | Q2FY18 | Q3FY17 | 9MFY18 | 9MFY17 | Audited FY17 |
|---------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|
| Net Sales | 573.71 | 454.69 | 388.65 | 1,562.10 | 1,223.70 | 1,735.66 |
| Total Expenses | 449.40 | 371.48 | 347.42 | 1,282.84 | 1,135.27 | 1,572.51 |
| Other Income | 0.42 | 0.62 | 5.75 | 4.37 | 11.20 | 13.74 |
| EBITDA | 124.74 | 83.83 | 46.98 | 283.63 | 99.63 | 176.89 |
| Depreciation | 22.31 | 22.85 | 19.71 | 67.60 | 58.76 | 78.18 |
| Finance Costs | 45.68 | 46.88 | 41.44 | 138.16 | 130.30 | 176.70 |
| PBT | 56.74 | 14.10 | -14.17 | 77.87 | -89.43 | -78.00 |
| Exceptional Items | -0.10 | 13.80 | - | 13.70 | - | - |
| Tax | -7.57 | 5.29 | -0.59 | -1.98 | -0.94 | -0.57 |
| PAT | 64.21 | 22.61 | -13.58 | 93.55 | -88.49 | -77.43 |
| Key Financial Indicators | | | | | | |
| EBITDA Margin (%) | 21.74% | 18.44% | 12.09% | 18.16% | 8.14% | 10.19% |
| PAT Margin (%) | 11.19% | 4.97% | -3.50% | 5.99% | -7.23% | -4.46% |
| EPS | 18.82 | 6.63 | -4.15 | 27.43 | -27.01 | -24.42 |



Godawari Green Energy Limited

Unaudited Standalone results

Rs. 'Cr

| Particulars | Q3FY18 | Q2FY18 | Q3FY17 | 9MFY18 | 9MFY17 | Audited FY17 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Net Sales | 25.91 | 25.07 | 25.24 | 78.33 | 85.84 | 111.35 |
| Total Expenses | 4.47 | 2.75 | 2.54 | 11.31 | 7.98 | 11.02 |
| Other Income | 0.30 | 0.20 | 0.34 | 0.93 | 1.03 | 2.19 |
| EBITDA | 21.75 | 22.52 | 23.04 | 67.95 | 78.89 | 102.52 |
| Depreciation | 7.68 | 7.68 | 7.26 | 23.03 | 22.55 | 30.76 |
| Finance Costs | 13.99 | 15.47 | 15.52 | 43.85 | 47.34 | 62.44 |
| PBT | 0.09 | -0.62 | 0.26 | 1.06 | 8.99 | 9.32 |
| Tax | 0.06 | -0.18 | -0.32 | 0.40 | 0.73 | 2.83 |
| PAT | 0.02 | -0.44 | 0.58 | 0.67 | 8.26 | 6.48 |
| Key Financial Indicators | | | | | | |
| EBITDA Margin (%) | 83.92% | 89.83% | 91.27% | 86.75% | 91.91% | 92.07% |
| PAT Margin (%) | 0.10% | -1.75% | 2.29% | 0.85% | 9.62% | 5.82% |

Ardent Steels Limited

Unaudited Standalone results Rs.'Cr

| Particulars | Q3FY18 | Q2FY18 | Q3FY17 | 9MFY18 | 9MFY17 | Audited FY17 |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|-----------------|
| Net Sales | 72.46 | 74.88 | 52.99 | 202.75 | 53.17 | 147.05 |
| Total Expenses | 49.48 | 60.89 | 39.39 | 159.43 | 43.26 | 119.56 |
| Other Income | 0.12 | 0.09 | 0.06 | 0.32 | 0.31 | 0.48 |
| EBITDA | 23.10 | 14.08 | 13.66 | 43.64 | 10.22 | 27.97 |
| Depreciation | 2.84 | 2.99 | 2.65 | 8.65 | 7.85 | 11.14 |
| Finance Costs | 5.41 | 4.67 | 4.03 | 16.03 | 14.88 | 21.61 |
| PBT | 14.85 | 6.42 | 6.98 | 18.96 | -12.51 | -4.78 |
| Tax | 4.68 | 1.21 | 2.15 | 4.20 | -4.10 | -1.55 |
| PAT | 10.17 | 5.21 | 4.83 | 14.76 | -8.41 | -3.23 |
| Key Financial Indicators | | | | | | |
| EBITDA Margin (%) | 31.88% | 18.80% | 25.78% | 21.52% | 19.22% | 19.02% |
| PAT Margin (%) | 14.04% | 6.96% | 9.11% | 7.28% | -15.82% | -2.20% |
| EBITDA Per Ton | 1,880 | 916 | 1,135 | 1,067 | 844 | 938 |

GPIL - Overview

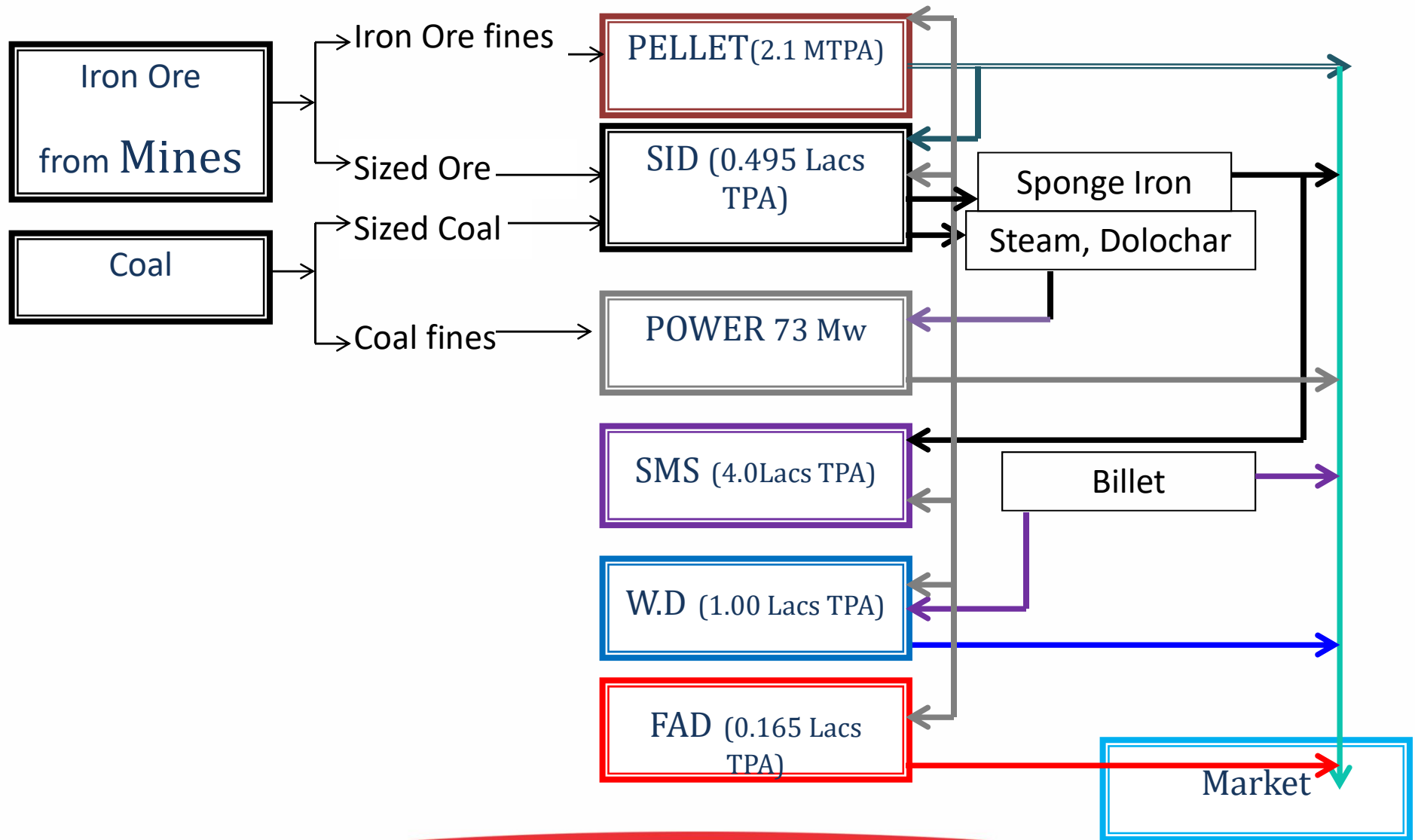
| Company | Godawari Power & Ispat Limited |
|-----------------------|---|
| Date of Incorporation | September 21, 1999 |
| Constitution | Public Limited Company |
| Listing | Listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) |
| Existing Operations | Engaged in captive mining of iron ore and manufacturing and selling of iron ore pellets, sponge iron, steel billets, Rolled Product (TMT & Wire Rod) Ferro alloys, and various long steel products like MS round in coil (wire rods) and Hard Black (HB) wires |
| Facility Location | <ul style="list-style-type: none">• <u>Plant Location</u> - Raipur, Chhattisgarh• <u>Captive Iron Ore Mines location</u> - Ari Dongri, Chhattisgarh & Boria Tibu, Chhattisgarh |
| Registered Office | Plot No.428/2, Phase- 1 Industrial Area, Siltara, Raipur – 492001, Chhattisgarh |



Facilities at GPIL

| SRN | Name of the Unit | Total Capacity (MTPA) |
|------------|---------------------------|------------------------------|
| 1 | Pellet - GPIL | 2100000 |
| 2 | Pellet - ASL | 600000 |
| 3 | Sponge Iron | 4,95,000 |
| 4 | Steel Billet | 4,00,000 |
| 5 | Power - GPIL | 73 MW |
| 6 | Solar Power – GGEL | 50 MW |
| 7 | Ferro Alloys | 16,500 |
| 8 | H.B. Wire | 1,00,000 |

PROCESS FLOW STANALONE GPIL - SILTARA



Competitive Advantages

- Fully integrated steel plant with facilities starting from iron ore Mining to end product HB wire.

- Captive iron ore facilities with annual production capacity of about 2 million tons to meet entire captive requirement of iron ore. Production rammed up to about 1.5 Million ton and target to rise to 1.8 Million Ton by FY19.

- Company is having long term coal linkages from Coal India Limited of around 7.37 Lakh MTPA against the requirement of around 9 Lakh MTPA. We are expecting to get further linkage of around 35,000 MT in the next phase of linkage auction.

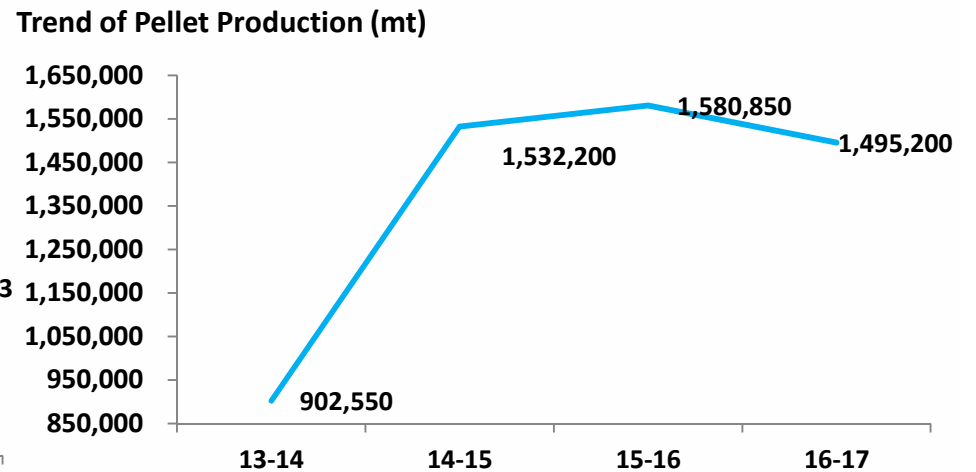
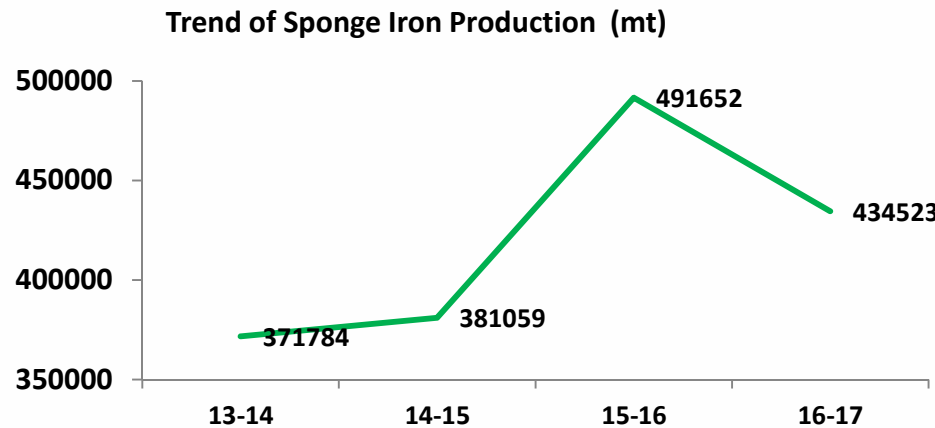
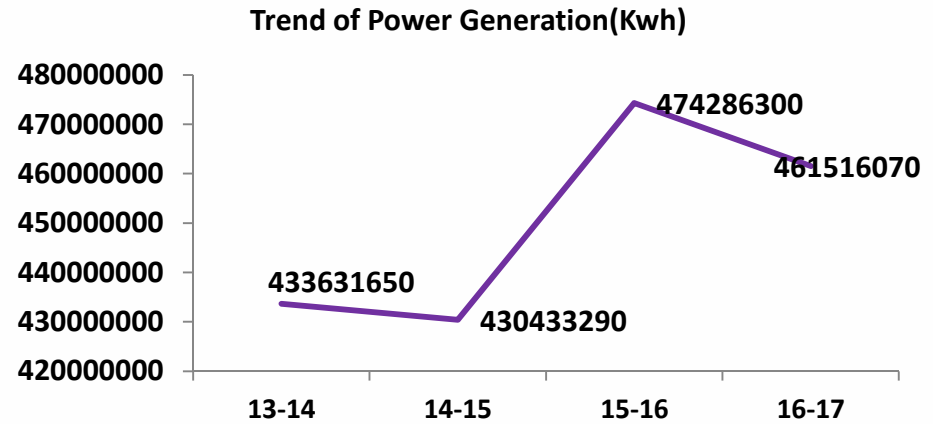
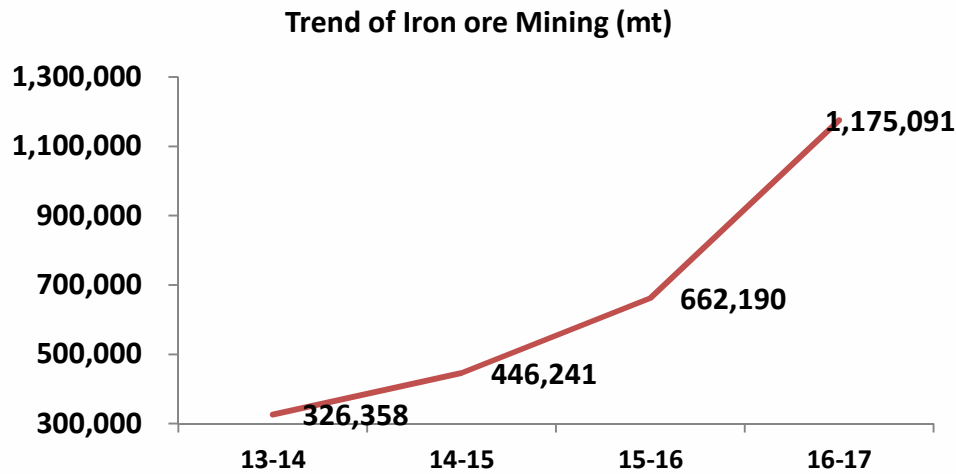
- Captive power capacity to support enhanced production volumes

- Installed capacity of 73 MW out of 42 MW Waste Heat Recovery Based (WHRB) with fuel input, thereby lower cost of overall power generation

- A tie up of additional 25 MW under group captive arrangement is expected to start during FY19

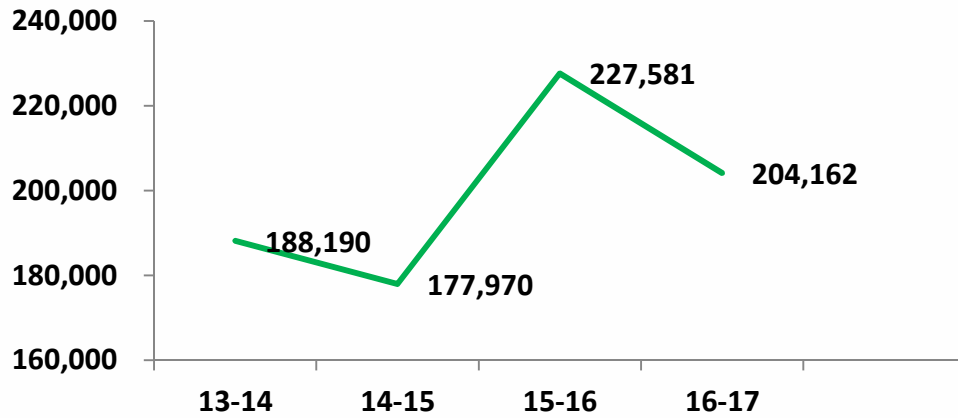
- Eligibility for Renewable energy certificates on bio-mass power generation leading to additional source of revenue and over-all cost reduction.

GPIL Standalone –Past Operational Performance at a Glance...

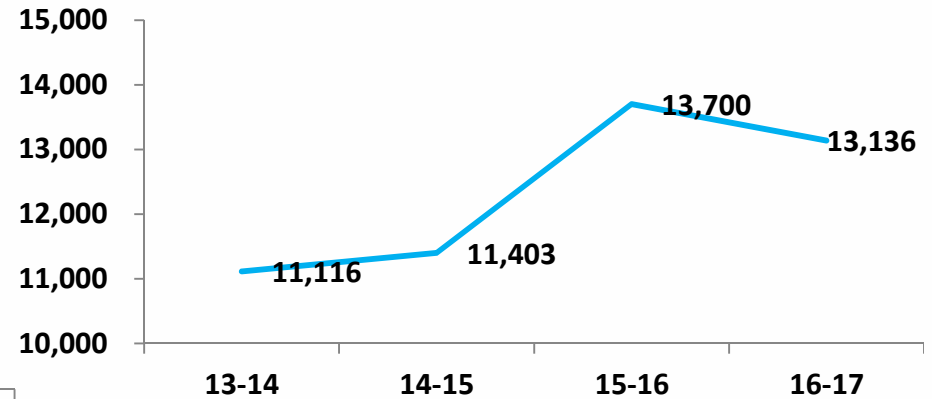


GPII Standalone – Past Operational Performance at a Glance...

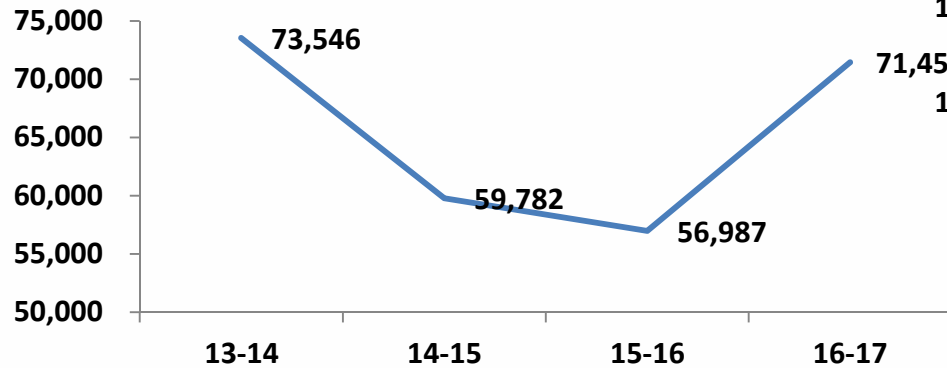
Trend of Steel Production (mt)



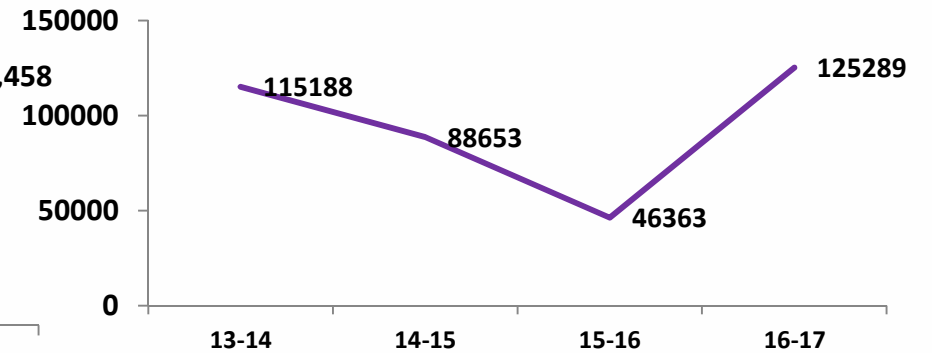
Trend of Ferro Alloy (mt)



Trend of H.B Wire production (mt)

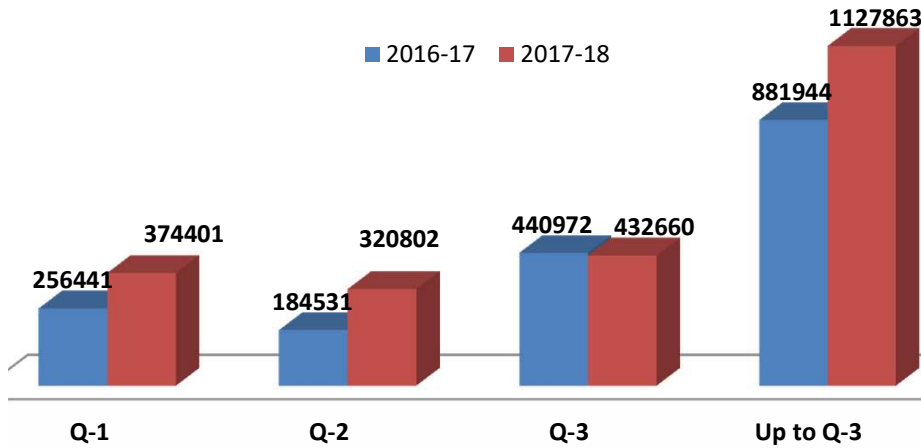


Trend of TMT+Wire Rod production (mt)

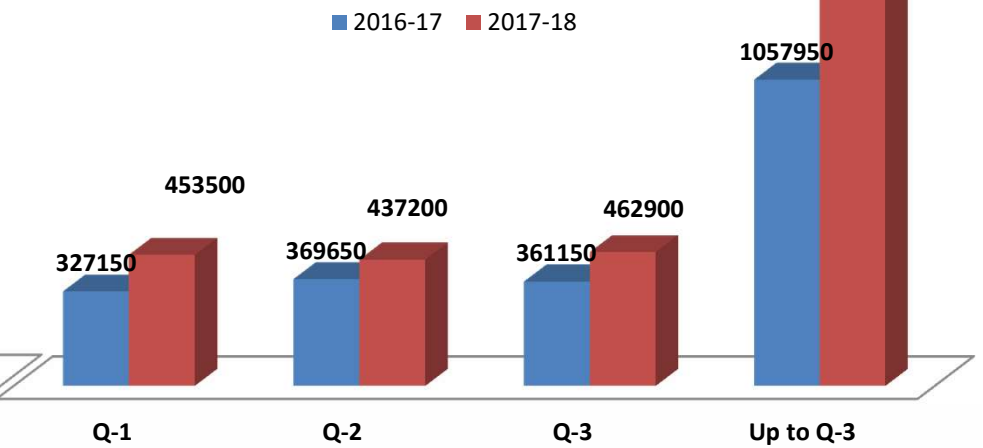


Standalone Production Comparison FY17 vis-à-vis FY 18

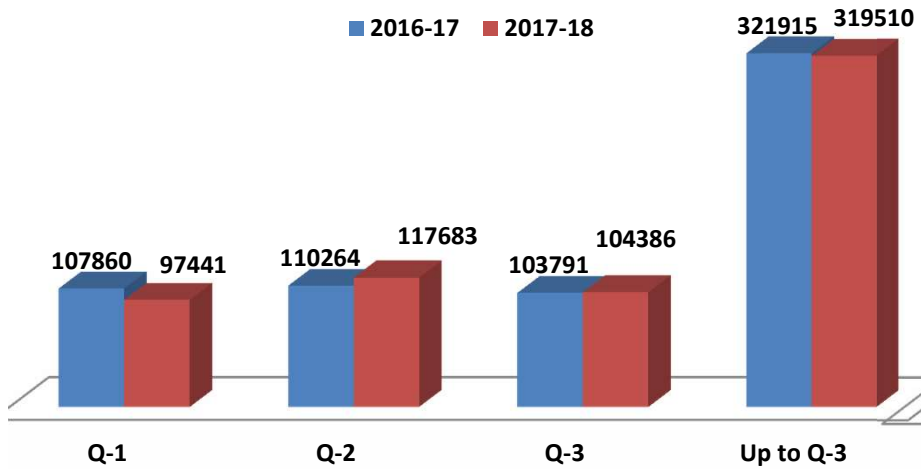
Trend of Mines Production (mt)



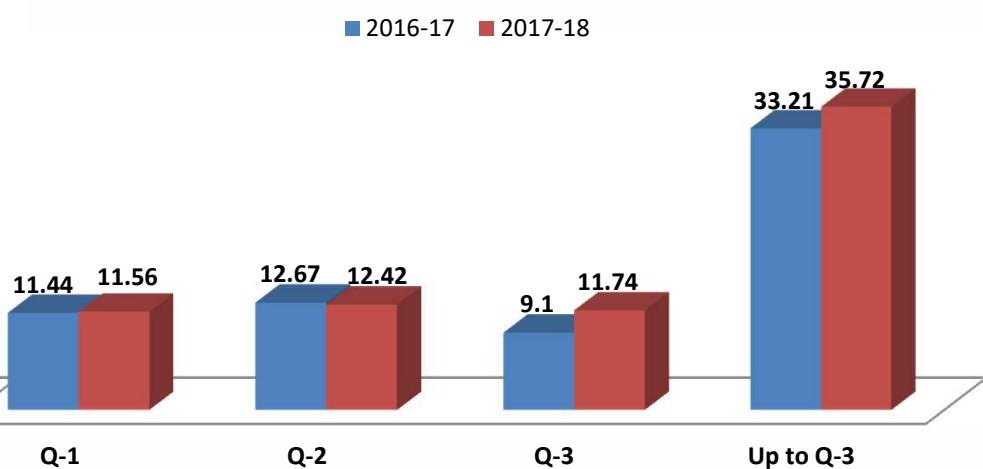
Trend of Pellet Production (mt)



Trend of Sponge Iron Production (mt)

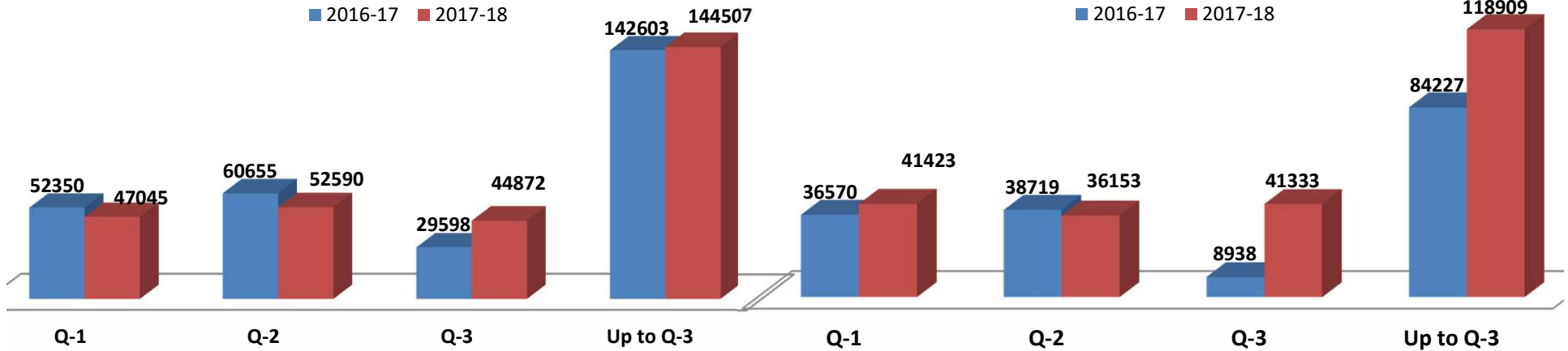


Trend of Power generation (Cr.Kwh)

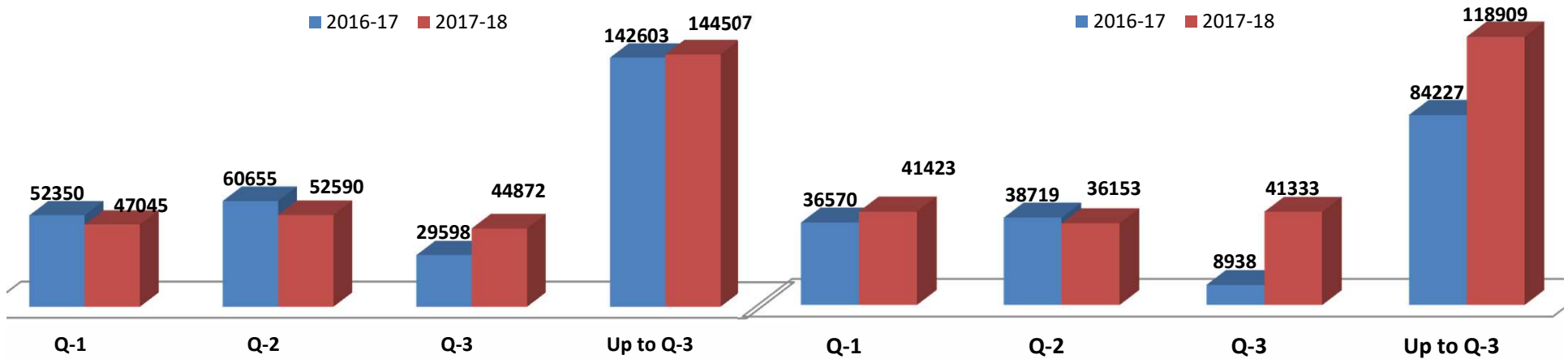


Standalone Production Comparison FY 17 vis-à-vis FY 18

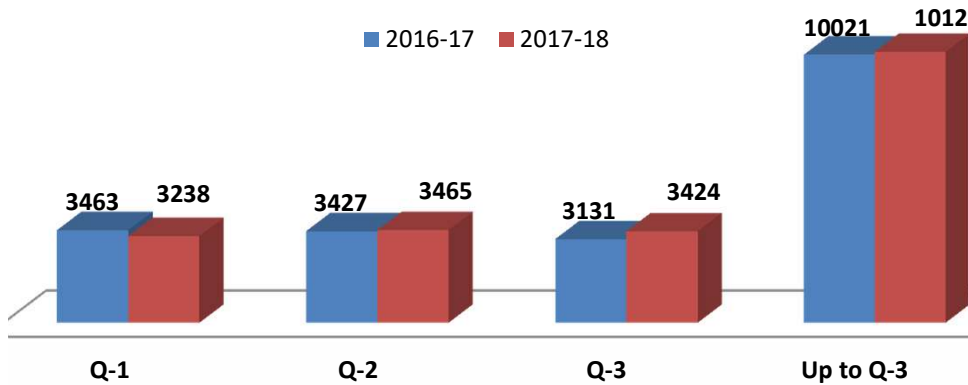
Trend of Steel Production (mt)



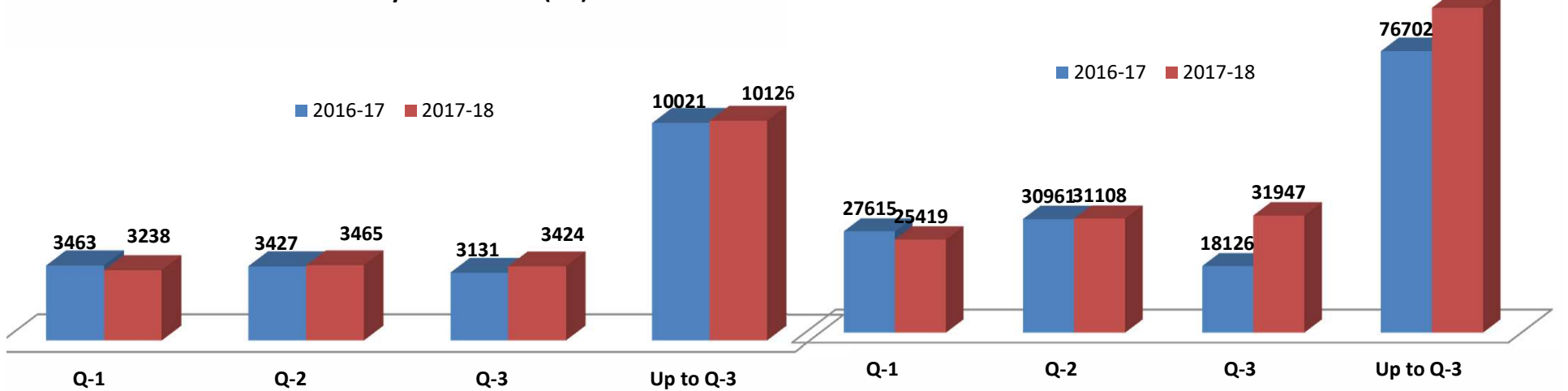
Trend of TMT & Wire Rod Production (mt)



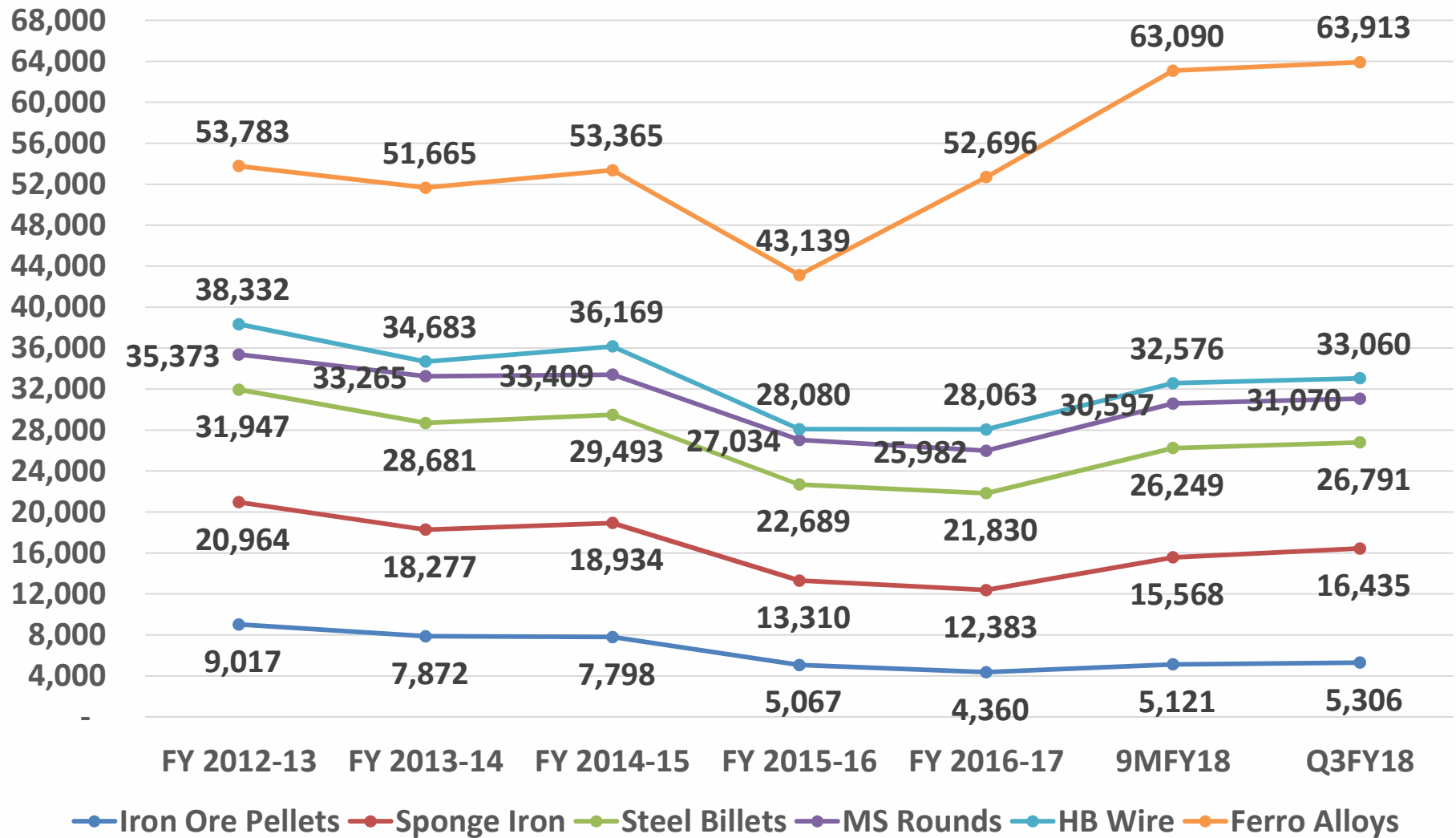
Trend of Ferro Alloys Production (mt)



Trend of H.B Wire Production (mt)



PAST SALES REALISATION



GPIIL Consolidated –Financial Performance at a Glance....

| FY Ended March 31, | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 9M FY 17-18 |
|---------------------------------|------------|------------|-------------|------------|-------------|
| Net Sales | 2,118 | 2,395 | 1980 | 1804 | 1,846 |
| Other Income | 16 | 60 | 19 | 15 | 5 |
| Total Expenses | -1772 | -2036 | -1,987 | -1,704 | -1,456 |
| EBITDA | 362 | 419 | 236 | 305 | 394 |
| Depreciation | 105 | 118 | 126 | 120 | 99 |
| Finance Costs | 165 | 224 | 252 | 259 | 197 |
| PBT | 92 | 77 | -142 | -74 | 98 |
| Exceptional Items | | | | | 14 |
| Tax | -22 | -6 | 47 | 1 | 3 |
| PAT | 70 | 71 | -95 | -73 | 109 |
| Key Financial Indicators | | | | | |
| EBITDA Margin (%) | 17.09% | 17.49% | 10.71% | 15.29% | 21.36% |
| PAT Margin (%) | 3.30% | 2.96% | -ve | -ve | 5.88% |

GPII Standalone –Financial Performance at a Glance....

| FY Ended March 31, | 2014 | 2015 | 2016 | 2017 | Unaudited 9 Months 17-18 |
|---------------------------------|------------|------------|-------------|-------------|--------------------------------|
| Net Sales | 1540.92 | 1935.05 | 1538.89 | 1546.02 | 1562.10 |
| Other Income | 24.49 | 16.49 | 12.27 | 13.74 | 4.37 |
| Total Expenses | 1329.01 | 1671.72 | 1399.89 | 1382.88 | 1282.84 |
| EBITDA | 236.40 | 279.82 | 151.26 | 176.88 | 283.63 |
| Depreciation | 66.68 | 65.82 | 70.99 | 78.19 | 67.60 |
| Finance Costs | 114.51 | 144.88 | 164.49 | 176.7 | 138.16 |
| PBT | 55.21 | 69.12 | -84.22 | -78.01 | 77.87 |
| Exceptional (Expenses)/Income | | | | | 13.70 |
| Tax | -0.73 | 7.01 | -20.83 | -0.57 | -1.98 |
| PAT | 55.94 | 62.11 | -63.39 | -77.44 | 93.55 |
| Key Financial Indicators | | | | | |
| EBITDA Margin (%) | 15% | 14% | 10% | 11% | 18% |
| PAT Margin (%) | 4% | 3% | - Ve | - Ve | 6% |

Way Forward.....

- Focus on Debt Reduction and thereby improving the financial position of the company. Surplus cashflow from operations to be utilised for debt reduction.

- Full Integration of operation of steel division from sponge iron to finished steel. Integration will lead to improvement in operating margin.

Thank You!