

**Godawari Power & Ispat Limited (“GPIL” or the “Company”) reports consolidated and standalone financial results for the quarter ended June 30, 2018**

**Key highlights of the quarter**

**Standalone Operations:**

- Iron Ore Mining: An increase by 35,882 MT (10% up on YoY)
- Steel Billets: An increase by 7,191 MT (14% up on QoQ), and 13,235 MT (28% up on YoY)
- HB Wire: An increase by 6,950 MT (25% up on QoQ), and 9,571 MT (38% up on YoY)
- MS Round and TMT: An increase by 10,771 MT (30% up on QoQ), and 14,987 MT (47% up on YoY)
- Revenue from Operations: ₹ 643 crores, an increase by 3% QoQ and 20% YoY
- Operating EBIDTA: ₹ 155 crores, an increase by 107% YoY
- PBT: ₹ 87 Crores, (₹ 7.03 crores in Q1FY18) an increase by 1140% YoY

**Consolidated Performance:**

- Revenue from Operations: ₹ 720.08 Cr, an increase by 16% YoY and decrease by 3% QoQ.
- Operating EBIDTA: ₹ 184.48 crores, an increase by 76% YoY and decrease by 13% on QoQ basis.
- PBT: ₹ 88.15 crores, (₹ 6.17 crores in Q1FY18) an increase by 1329% YoY

**Operational Performance**

**Details of Production**

Product	UOM	For the Quarter ended			Change (%)	
		Q1FY19	Q4FY18	Q1FY18	Q on Q	Y on Y
Iron Ore Mining	MTs	4,10,283	4,30,174	3,74,401	-4.62%	9.58%
Iron Ore Pellet – GPIL	MTs	4,45,900	4,87,450	4,53,500	-8.52%	-1.68%
Iron Ore Pellet – ASL	MTs	92,481*	1,45,397	1,51,920	-36.39%	-39.13%

<b>Sponge Iron</b>	<b>MTs</b>	1,12,162	1,19,629	97,441	-6.24%	15.11%
<b>Steel Billets</b>	<b>MTs</b>	60,280	53,089	47,045	13.55%	28.13%
<b>Wire Rods / TMT Bar</b>	<b>MTs</b>	47,203	36,432	32,216	29.56%	46.52%
<b>HB Wire</b>	<b>MTs</b>	34,990	28,040	25,419	24.78%	37.65%
<b>Ferro Alloys</b>	<b>MTs</b>	1,546	3,646	3,238	-57.60%	-52.25%
<b>Power Generation</b>	<b>Units (Cr.)</b>	12.37	12.63	11.57	-2.10%	6.88%
<b>Solar Power Generation</b>	<b>Units (Cr.)</b>	2.34	2.42	2.53	-3.31%	-7.51%

\* Production of Ardent Steels Limited down in Q1 FY 19 due to routine maintenance shut-down.

### **Operating Performance:**

- Iron Ore Mining: There is an increase by 10% in the Iron Ore Mining on YoY Basis
- Steel Billets: There is an increase by 14% on QoQ basis and 28% on YoY basis
- Wire Rod/ TMT: There is an increase by 30% on QoQ basis and 47% on YoY basis
- HB Wire: There is an increase by 25% on QoQ basis and 38% on YoY basis

### **Details of Sales Quantity and average Realisation of Major products - per unit**

Product	UOM	For the Quarter ended					
		Q1FY19		Q4FY18		Q1FY18	
		Qty	Realisation	Qty	Realisation	Qty	Realisation
Iron Ore Pellet - GPIL	MTs	3,52,348	5,958	2,80,636	6,207	3,31,408	4,945
Iron Ore Pellet - ASL	MTs	1,03,334	4,988	1,75,540	5,307	1,32,308	4,184
Sponge Iron	MTs	43,454	19,730	60,382	19,768	48,589	14,662
Steel Billets	MTs	22,109	34,603	22,534	31,580	20,297	25,961
Wire Rods / TMT Bar	MTs	19,871	39,597	19,907	36,835	26,176	30,470
HB Wire	MTs	36,377	41,289	27,173	38,590	25,562	31,895
Ferro Alloys	MTs	1,356	67,470	2,850	68,985	2,420	61,058

- Steel Billets Realisation increased by 10% QoQ and 33% YoY
- Wire Rod/TMT Bar Realisation increased by 7% QoQ and 30% YoY
- HB Wire realisation increased by 7% QoQ and 30% YoY
- Iron Ore Pellet realisation increased by 20% YoY
- Sponge Iron realisation increased by 35% YoY

### **Standalone Financial Performance:**

The company earned a total sales revenue of ₹ 643 crore for the quarter which is 3% higher on QoQ basis and 20% higher in YoY basis. The EBIDTA margin also expanded in Q1FY19 to 24.09% which is 10.03 bps higher than Q1FY18. The overall realisations of the finished steel improved by about 10% as compared to last quarter realisations

The company has reduced net debt by ₹ 45.03 crore during the quarter. The net debt at the end of quarter stands at ₹ 1414.35 crore (including working capital loan of ₹ 115.49 crores) as compared to net debt of ₹1459.38 crores as on 31/03/2018.

### **Subsidiaries Performance**

#### **Ardent Steel Limited:**

During the quarter, the Company produced 92,481 tonnes of iron ore pellets & sold 1,03,333 tonnes of pellets in the market. The average realisation during Q1FY19 ₹ 4,988 as compared to realisation of ₹ 4184 in the corresponding quarter of last year and average realisation of ₹ 5307 in Q4FY18. The production during the quarter was lower on account of routine maintenance shut-down of the plant. The Company earned revenue of ₹ 51.55 crore, EBIDTA of ₹ 7.72 crore and PAT of ₹ 0.23 crore during the quarter under review as compared to same quarter last year revenue of ₹ 55.42 crores, EBIDTA of ₹ 6.31 crores and PAT of ₹ -1.69 crores. The profitability during Q1FY19 was although in line with Q1FY18 and the same was substantially down in comparison to Q4FY18 in view of fall in production volume and average realisation of pellet and increase in input cost of iron ore fines. The pellet prices have again increased post Q1FY19, which will help improving profitability going forward.

The net debt at the end of quarter stands at ₹162.50 crore (including working capital loan of ₹ 14.55 crores) as compared net debt of ₹ 149.42 crores at 31.03.2018, including working capital outstanding of ₹ 1.19 crores. The net debt marginally increased due to higher utilisation of working capital limits.

#### **Godawari Green Energy Limited:**

During the quarter, the Company generated 2.34 crore units of Power & sold 2.06 crore units to NTPC Vidyut Vyapar Nigam (NVVN) at existing tariff of ₹ 12.20 per unit thereby getting a revenue of ₹ 25.17 crore. The EBIDTA & PAT stood at ₹ 21.74 crore and ₹ 0.42 crore respectively.

The company has reduced net debt by ₹ 21.67 crore. The net debt at the end of quarter stands at ₹ 453.54 crore (including working capital loan of ₹ 3.89 crores).

**Consolidated Financial Performance:**

The Company earned consolidated sales revenue of ₹ 720.08 crore for the quarter, which is 16% higher on YoY basis, however the same decreased by 3% as compared to Q4FY18 on account of QoQ fall in realisation of pellets in Ardent Steel. The EBIDTA margin also expanded to 25.62% for the quarter which is 8.7 bps higher than Q1FY18, however, EBIDTA was lower by ₹ 26.86 crores as compared to Q4FY18 on account of lower realisation of pellet and increase in input cost of iron ore (market purchases) and increase in operating expenditure on account of annual increase in salaries & employees benefit. The fall in profitability during the quarter was mainly on account of fall in revenue and profitability in Ardent Steel Ltd.

The company has reduced consolidated net debt by ₹ 55 crore during Q1FY19. The total consolidated net debt including working capital loans at the end of quarter stands at ₹ 2030.39 crore (₹ 2085.84 crore at the end of March 2018)

**Outlook**

The global steel demand has been buoyant for last couple of quarters. The demand outlook is expected to be sustainable in view of increase in global growth outlook and increase in demand led by infrastructure spending and revival in demand by automobile sector.

**Disclaimer: -**

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