



GODAWARI POWER & ISPAT



REF: GPIL/NSE&BSE/2018/3624

Date: 27.10.2018

To,

1. The Listing Department,

The National Stock Exchange Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
NSE Symbol: GPIL

2. The Corporate Relation Department,

The Stock Exchange, Mumbai,
1st Floor, Rotunda Building,
Dalal Street, Mumbai – 400 001
BSE Security Code: 532734

Dear Sirs,

Sub: Corporate Presentation

Pursuant to Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we are enclosing herewith the Corporate Presentation of our Company.

The copy of the said Corporate Presentation is also being hosted on the website of the company viz., www.godawaripowerispat.com. The said presentation will also be shared with various Analysts/Investors.

Kindly disseminate the above information on the Stock Exchange's website.

Thanking you,

Yours faithfully,

For **GODAWARI POWER AND ISPAT LIMITED**

Y.C. RAO

COMPANY SECRETARY

Encl: As Above

Godawari Power & Ispat Limited

An ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified company
CIN L27106CT1999PLC013756

Registered Office and Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur - 493111, Chhattisgarh, India

P: +91 771 4082333, F: +91 771 4082234

Corporate address: Hira Arcade, Near New Bus Stand, Pandri, Raipur - 492001, Chhattisgarh, India

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www.godawaripowerispat.com, www.hiragroup.com



Q2FY19 Earnings Presentation
October 2018

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Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Risk and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The company does not under take to update any forward -looking statement that may be made from time to time by or on behalf of the company.

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GPII - Delivering Strong Quarterly Results

Q2FY19 Operational Highlights

- Iron Ore mine production stable at 305,207 MT
- Total Pellet production 10% higher at 640,379 MT
- Sponge Iron production stable at 111,229 MT
- Steel billets production 21% higher at 63,618 MT
- HB wires production 10% higher at 34,419 MT
- MS rounds production 33% higher at 44,911 MT

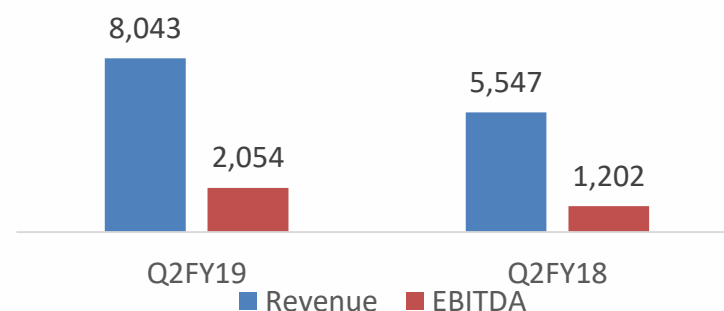
Sales QTY

In MT	Q2FY19	Q2FY18	Change %
Iron Ore Mining	305,207	320,802	-5%
Iron Ore Pellet	640,379	579,583	10%
Steel Billets	63,618	52,590	21%
M.S. Round/ TMT	44,911	33,859	33%
H.B. Wire	34,419	31,208	10%

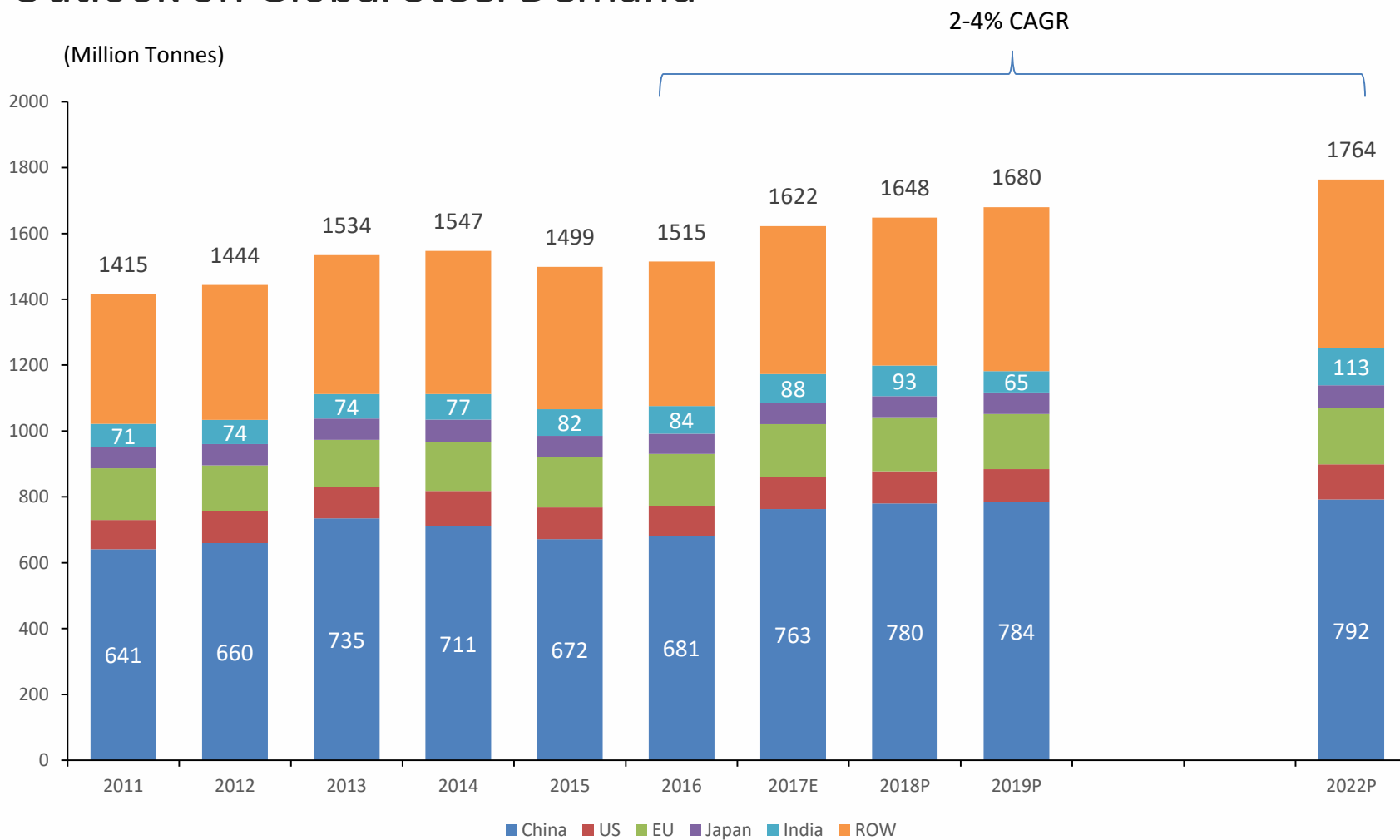
Q2FY19 Financial Highlights

- Revenue 45% higher at INR 8,043 million due to higher realisations
- EBITDA 71% higher at INR 2,054 million despite higher costs due to seasonally low captive mining
- Gross debt reduced by INR 1,080 million in H1FY19

Revenues and EBITDA (INR Mn)



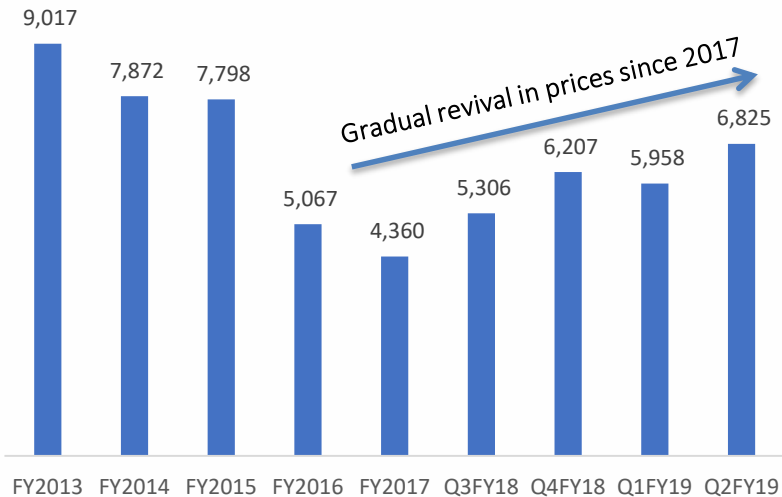
Outlook on Global Steel Demand



Source : CRISIL Research, JPC

China's demand shift towards high quality iron ore to drive pellets prices

Iron Ore Pellet Prices (INR/Tn)

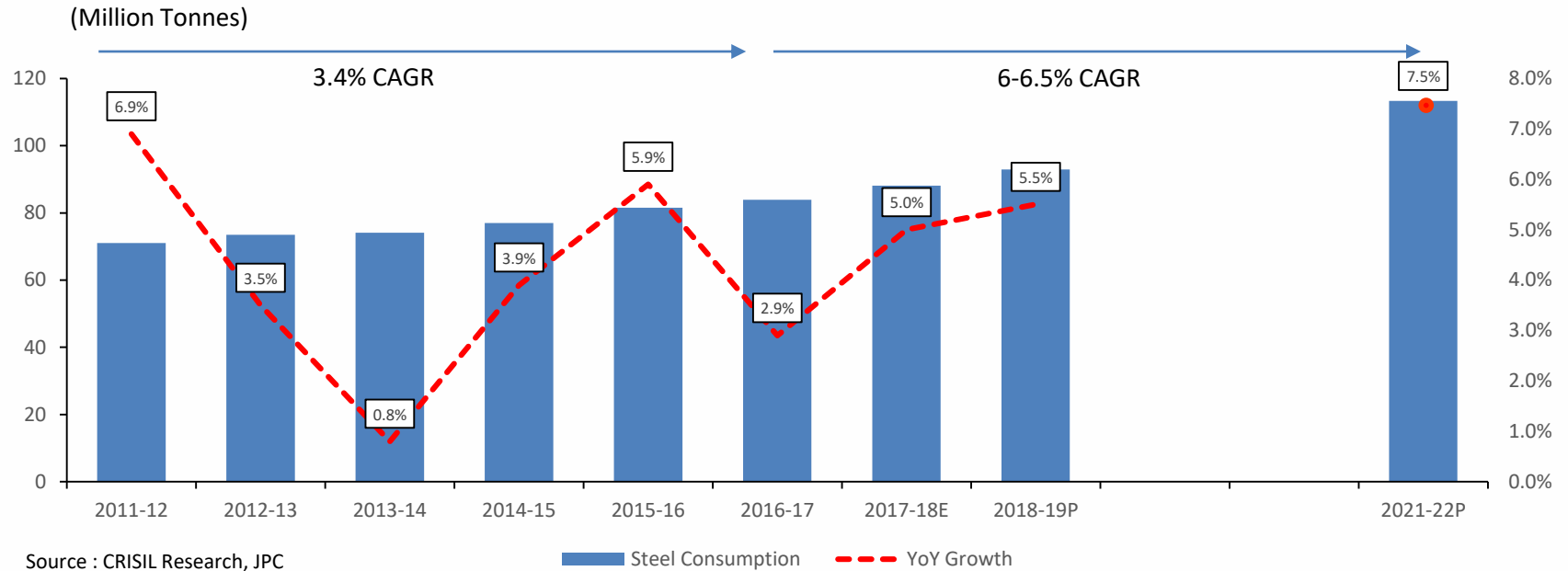


Source: Industry

The China Story: Rising Import Dependence

- Global iron ore market has remained close to 2.1bn ton per annum of which China continues to account for 50%~ of total demand.
- Increasing pollution concerns in China has led Chinese Government to shutting down of sintering facilities and cancelling of more than 1000 licenses of iron ore mines across China.
- As Chinese demand for Iron remains intact but supply within is hampered, dependence on imports have risen.
- Alternative to sinters are iron ore lumps or pellets. Shortage of 65%fe iron ore lumps continues across the world and further there is shortfall of operational facilities of pellets around the world. As a result demand for pellets have risen which is gradually reviving the pellets prices across the world.

Domestic Demand Outlook



- Domestic steel demand to grow by 7% to 7.5% in FY 19
- Shortage of lumps in domestic market driving demand for Iron Ore Pellets
- Affordable housing and infrastructure projects to propel demand

Price Outlook in Domestic Market

- The Iron Ore Pellet & Other finished product prices are on uptrend for last 5 -6 quarters, after bottoming out in Q2FY17. The current prevailing pellet price is Rs 8000 Ton in Raipur.
- The Pellet prices are expected to remain firm for next 2 -3 years in view of following :-
 - Higher pellet demand in domestic market due to Increase in production volume of finished steel over last 2 years and the firm global steel prices
 - Increase in demand of Pellet from China in view of environmental restrictions on use of Sinter.
 - The expected slow down in Iron Ore mining in Odisha on account of expiry of mining leases of merchant Iron Ore mines in March 2020.
 - There is an emerging demand of Pellet from Japan and South Korea

Q2 Production and Sales Summary

Quarterly Production (in MT)	Q2 FY19	Q2 FY18	Q1 FY19
Iron Ore Mining	305,207	320,802	410,283
Iron Ore Pellet- GPIL	512,050	437,200	445,900
Iron Ore Pellet - ASL	128,329	142,383	92,481
Sponge Iron	111,229	117,683	112,162
Steel Billets	63,618	52,590	60,280
M.S. Round/ TMT Bar	44,911	33,859	47,203
H.B. Wire	34,419	31,208	34,990
Silico Manganese	1,678	3,465	1,546
Power - GPIL (Units in cr)	11.27	12.42	12.37
Solar Power (Units in cr)	1.96	2.33	2.34

Sales & Realisation (per MT)	Q2 FY19		Q2 FY18		Q1 FY19	
	QTY	Realisation	QTY	Realisation	QTY	Realisation
Iron ore Pellet - GPIL	384,035	6,825	2,96,562	5,107	3,52,348	5,958
Iron ore Pellet - ASL	111,509	6,396	153,749	4,870	103,334	4,988
Sponge Iron	43,190	20,642	57,234	15,394	43,454	19,730
Steel Billets	23,678	33,780	22,238	26,074	22,109	34,603
M.S. Round / TMT Bar	16,635	39,558	10,155	31,189	19,871	39,597
H.B. Wire	34,141	40,150	29,191	32,738	36,377	41,289
Silico Manganese	1,168	66,405	2,787	64,017	1,356	67,470

GPIL Consolidated - Profit & Loss

Particulars (INR MN)	Q2FY19	Q2FY18	Q1FY19	YoY%	QoQ%
Net Sales	8,044	5,547	7,201	45%	12%
Total Expenses	6,000	4,352	5,365	38%	12%
Other Income	10	7	9	35%	13%
EBIDTA	2,054	1,202	1,845	71%	11%
EBIDTA Margin (%)	25.53%	21.67%	25.62%	18%	0%
Depreciation	336	335	332	0%	1%
Finance Costs	648	664	631	-2%	3%
PBT	1070	203	882	427%	21%
PBT Margin (%)	13.30%	3.66%	12.24%	264%	9%
Exceptional Items	0	138	0		
Tax	390	54	320	618%	22%
PAT	680	287	562	137%	21%
EPS (INR)	18.9	8.33	17.02	127%	11%

GPIIL Standalone - Profit & Loss

Particulars (INR MN)	Q2FY19	Q2FY18	Q1FY19	YoY%	QoQ%
Net Sales	7,125	4,547	6,434	57%	11%
Total Expenses	5,458	3,715	4,889	47%	12%
Other Income	7	6	6	11%	25%
EBIDTA	1,674	838	1,550	100%	8%
EBIDTA Margin (%)	23.50%	21.47%	24.09%	9%	-2%
Depreciation	230	229	227	1%	1%
Finance Costs	472	469	453	1%	4%
PBT	973	141	871	590%	12%
PBT Margin (%)	13.65%	3.10%	13.53%	340%	1%
Exceptional Items	-	138	-		
Tax	355	53	315	570%	12%
PAT	618	226	555	173%	11%
EPS (INR)	18.13	6.63	16.28	173%	11%

Ardent Steel Limited Standalone- Profit & Loss

Particulars (INR MN)	Q2FY19	Q2FY18	Q1FY19	YoY%	QoQ%
Net Sales	713	749	516	-5%	38%
Total Expenses	505	609	440	-17%	15%
Other Income	0	1	1	-89%	-92%
EBIDTA	209	141	77	48%	170%
EBIDTA Margin (%)	29.28%	18.81%	14.98%	56%	95%
Depreciation	29	30	28	-4%	3%
Finance Costs	49	47	46	5%	7%
PBT	131	64	4	104%	3539%
PBT Margin (%)	18.37%	8.59%	0.70%	114%	2524%
Tax	48	4	1	1128%	3585%
PAT	83	60	2	38%	3513%
Key Financial Indicators					
EBIDTA Per Ton	1,627	990	835	64%	95%

Godawari Green Energy Limited - Profit & Loss

Particulars	Q2FY19	Q2FY18	Q1FY19
Net Sales	210	250.7	251.7
Total Expenses	42	28	36
Other Income	3	2	2
EBIDTA	171	225	217
EBIDTA Margin (%)	81.57%	89.79%	86.37%
Depreciation	78	76.8	77.9
Finance Costs	130	154.7	132.5
PBT	-37	-6	7
PBT Margin (%)	-17.5%	-2.6%	2.8%
Tax	-12	-1.8	2.8
PAT	-24.8	-4.4	4.2

GPIL Consolidated - Balance Sheet

ASSETS (INR MN)	Sep-19	Mar-18	EQUITY AND LIABILITIES (INR MN)	Sep-19	Mar-18
Non -current assets			EQUITY		
(a) Net Fixed Assets	24,004	24,355	(a) Equity share capital	341	341
(b) Investments	1,319	1,316	(b) Other equity	10,122	8,892
(c) Other non-current assets	490	765	(c) Minority Interest	1,619	1,604
Sub Total - Non Current Assets	25,813	26,436	Sub Total - Equity	12,082	10,837
Current-assets			LIABILITIES		
(a) Inventories	4,327	4,323	Non-current liabilities		
(b) Trade Recievables	1,735	1,558	(a) Long term borrowings	17,925	18,729
(c) Bank, Cash and cash equivalents	459	522	(b) Other non-current liabilities	114	103
(d) Loans & advance and other current assets	2,276	1,678	Sub Total - Non Current Liabilities	18,039	18,832
Sub Total - Current Assets	8,797	8,082	Current liabilities		
			(a) Short-term Borrowings	1,436	1,344
			(b) Trade Payables	1,249	1,611
			(c) Financial liabilities due within 1 year	913	1,202
			(d) Other current liabilities	891	690
			Sub Total - Current Liabilities	4,489	4,848
Total Assets	34,610	34,517	Total Equity and Liabilities	34,610	34,517



HIRA

GODAWARI POWER & ISPAT

Investor Presentation
October 2018



Integrated Asset Portfolio; Unique Presence Across Steel Value Chain

Asset

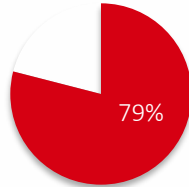
Capacity

FY 18 Utilisation



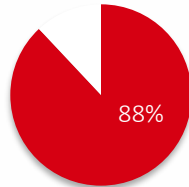
Iron Ore Mining

2.1 mt



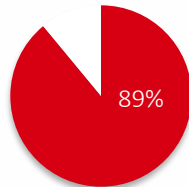
Iron Ore Pellets

2.7 mt



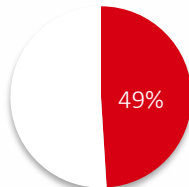
Sponge Iron

0.5 mt



Steel Billets

0.4 mt



Asset

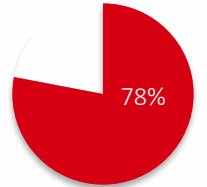
Capacity

FY18 Utilisation



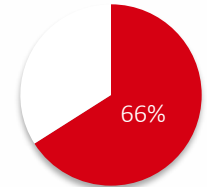
MS Rounds

0.2 mt



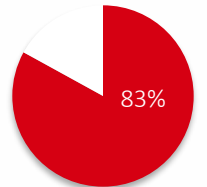
HB Wires

0.15 mt



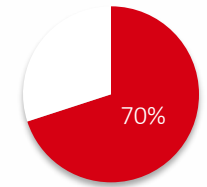
Ferro Alloys

16,500 mt

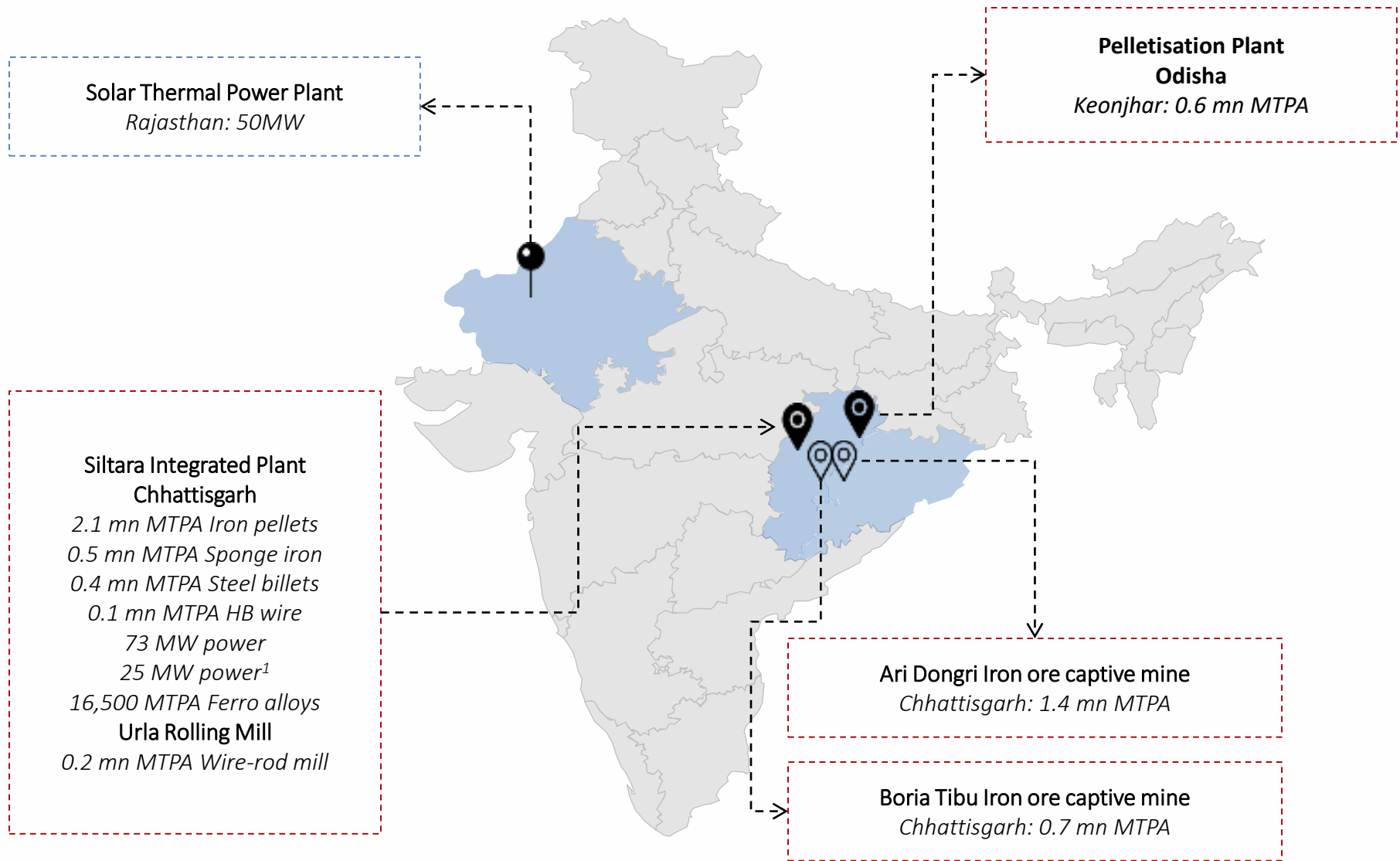


Power

98 MW*;
86 cr units



Large Portfolio of Long-life Assets



GPII – Focused on Generating Shareholder Value



Clear Strategy

Focus on **Integrated Steel** Value Chain

No unrelated diversification;
Non-core assets to be divested



Portfolio Optimisation

Increasing value addition by **enhancing captive power** availability

Supply Chain optimisation through **rolling mill expansion (brownfield)**



Improving Financials

FY18 **Revenue Growth: 40%**; EBITDA Margin: 24%

FY18 ROE: 21.5%
Net Debt/Equity: 2.1
Int. Coverage: 1.8



Balance Sheet De-Leveraging

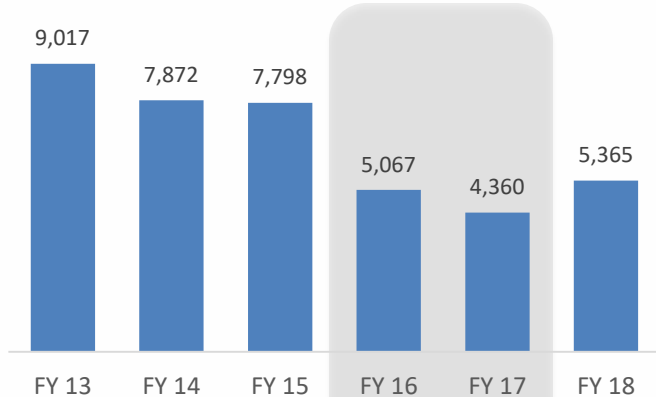
Net Debt to equity Reduced to 2.1 from 3x; **Target <1x**

Credit Rating Updated to Investment Grade **BBB**

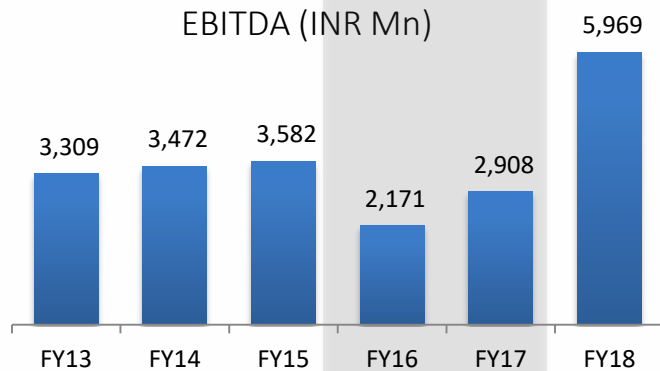
Strong Balance Sheet Key for Long-term Business Sustainability

FY16 &17 EBITDA adversely impacted by low commodity prices

Pellets Realization (INR/MT)

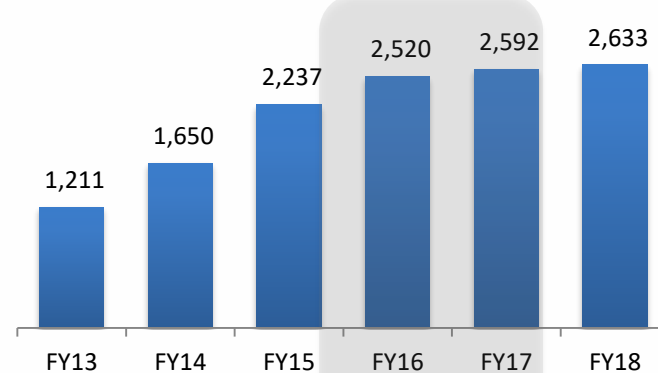


EBITDA (INR Mn)

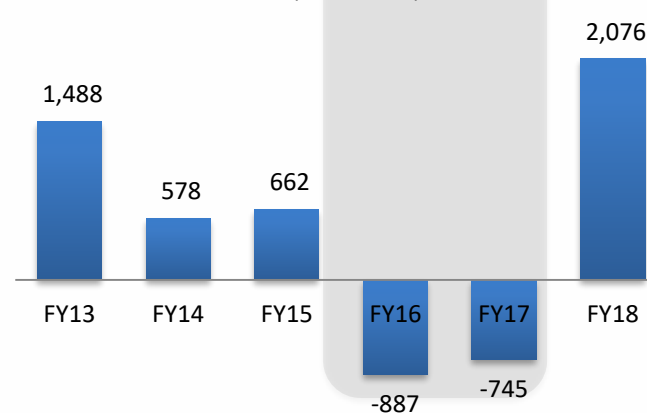


High Finance Cost Further Exacerbated the Problem

Finance Cost (INR Mn)



PAT (INR Mn)

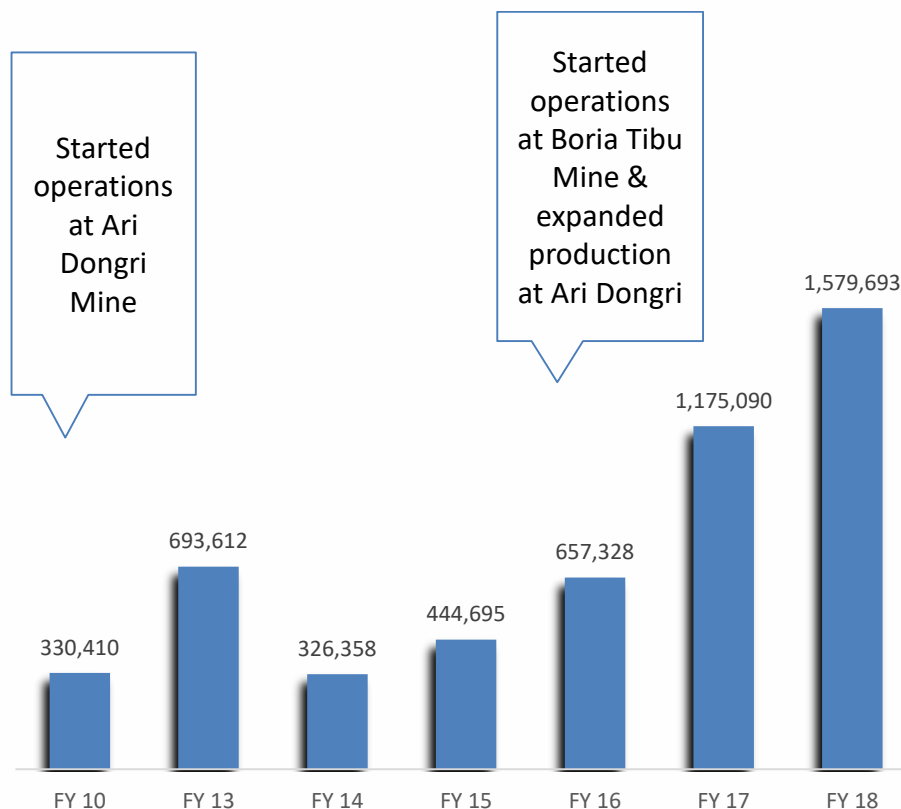


The performance of FY16 & FY 17 were adversely affected due to fall in pellets price combined with high finance cost which resulted in negative PAT. Deleveraging the balance sheet will help the company to maintain its profitability even in such challenging scenarios

Increased Captive Consumption Provides Significant Margin Expansion

Significant captive mining capacity & multiple long-term linkages aid in lowering costs & improving margins

Iron Ore Production (MT)



Iron Ore Mines

- Ari Dongri's annual capacity at 1.4 MTPA with remaining mine life of 40+ years
- Boria Tibu's annual capacity at 0.7 MTPA with remaining mine life of 40+ years

Coal

- Long-term linkage with Coal India
- c.75% of total coal sourced from long term linkage

Power

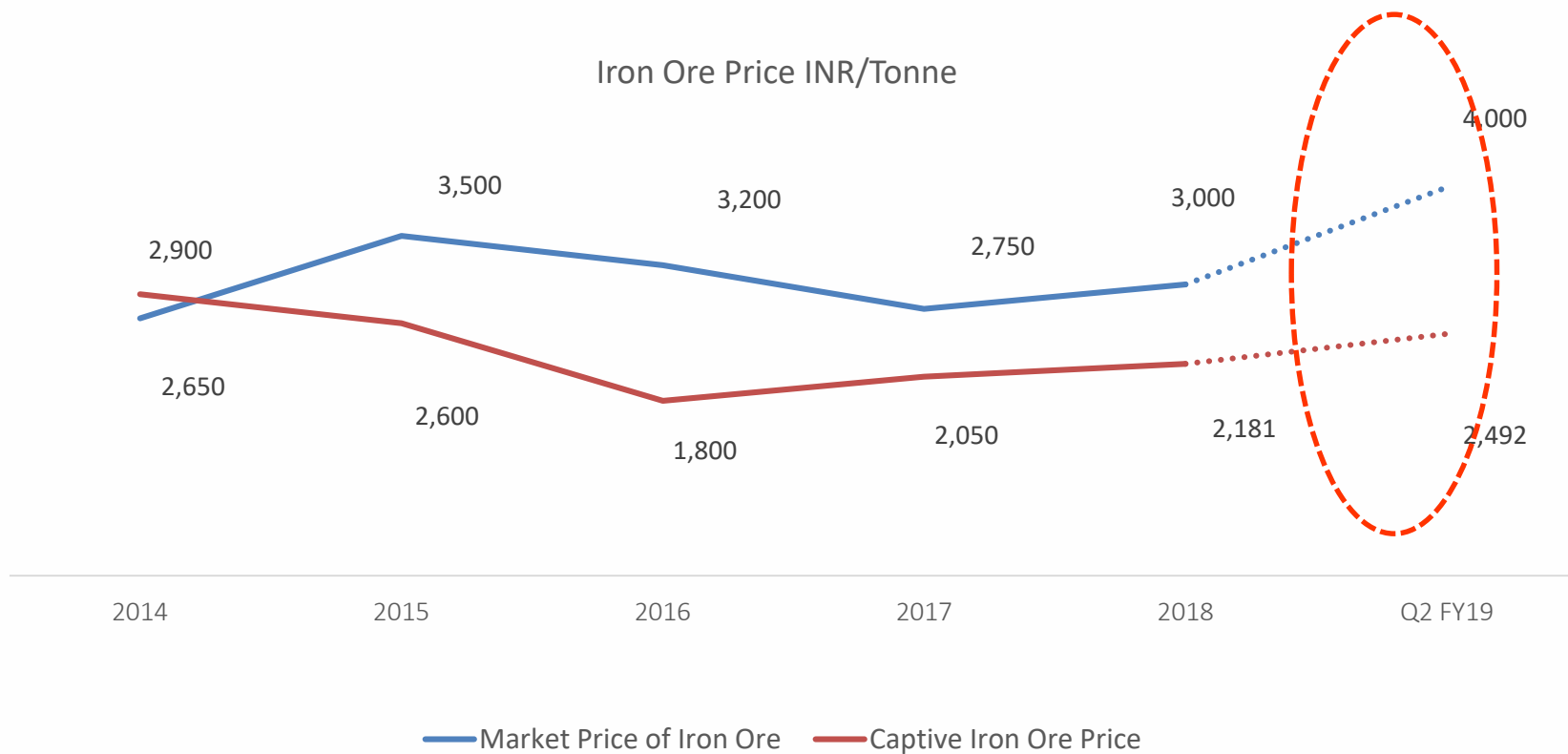
- In-plant power generation capacity of 73 MW
- 42 MW captive energy from waste heat recovery + 11 MW from coal thermal plant + 20 MW biomass power capacity
- Additional 25 MW from Jagdamba Power merger*

Water

- Agreement with Chhattisgarh Ispat Bhoomi Ltd to draw 10,000 KL of water/day

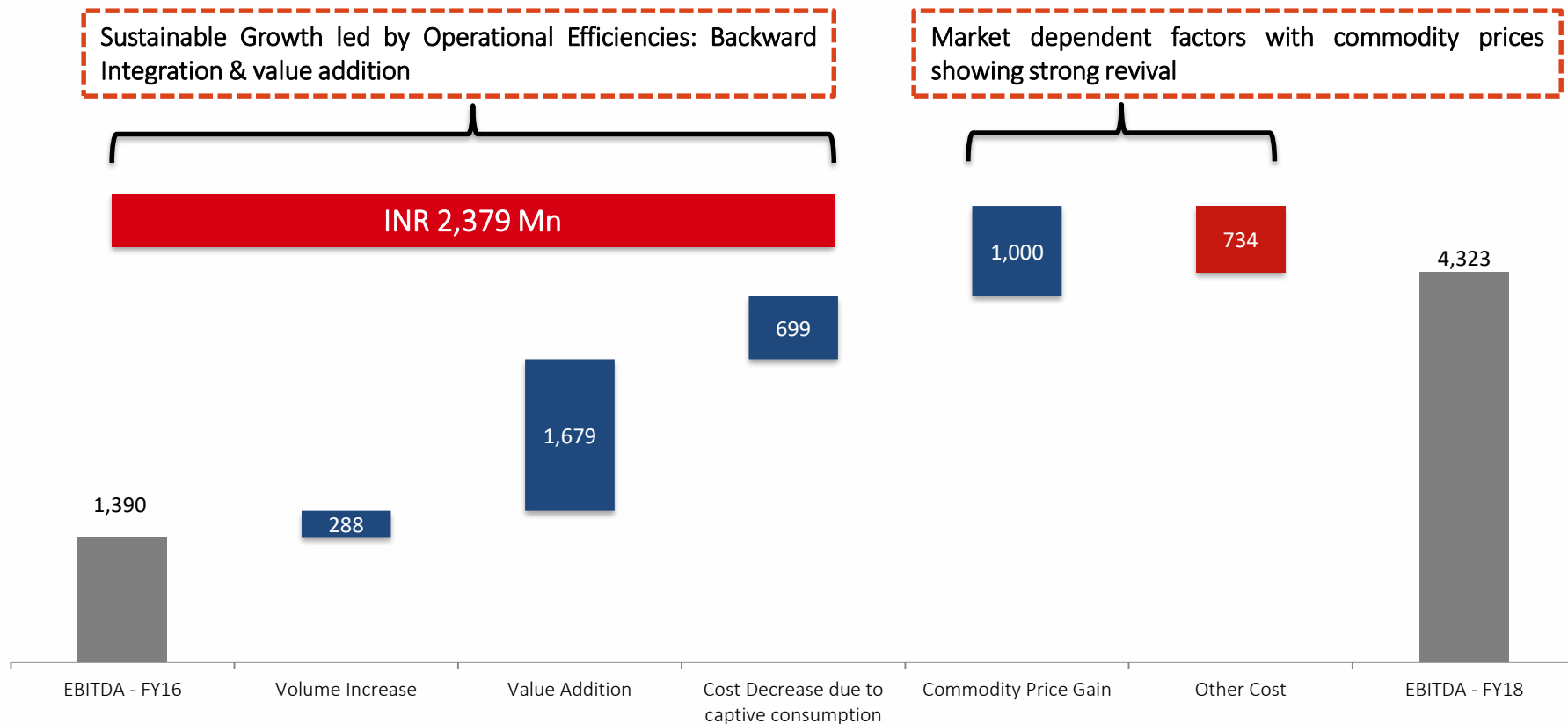
* Under Proposed Merger

As Evident in Cost Savings Due to Captive Mining



Resulting in Operational Efficiencies & Sustainable Profitability

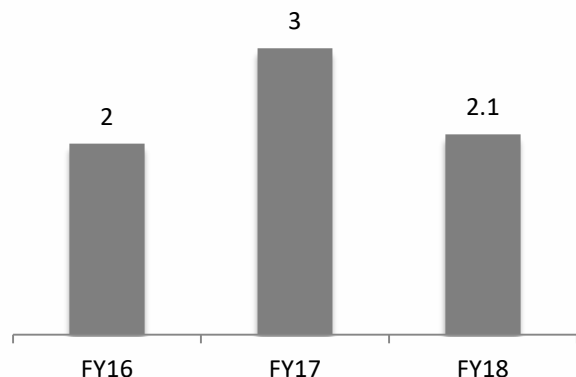
All numbers in INR Mn



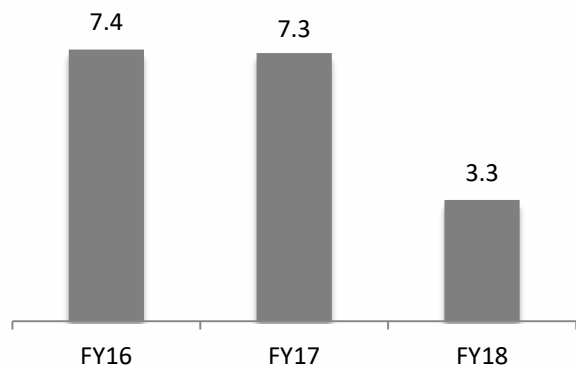
Standalone EBITDA for GPIL; Godawari Green (Solar Power) EBITDA not included

Leading to De-leveraging of Balance Sheet

Net Debt to Equity (x)



Net Debt to EBITDA (x)



All Ratios on consolidated basis

Debt Restructuring

- Debt restructuring package implemented in March 2017
- Restructuring included elongation of tenor of facilities with part conversion of short-term debt to long-term debt
- No lender haircuts undertaken during restructuring process – only debt tenor increased

Resultant Turnaround

- Credit Rating improved from Junk Grade 'D' in FY16 to Investment Grade 'BBB-' in FY18
- Rating further improved to 'BBB' in August 2018 driven by continued debt repayment efforts by the company
- Gradual revival in operations result in highest-ever EBITDA in FY18

Q2FY19

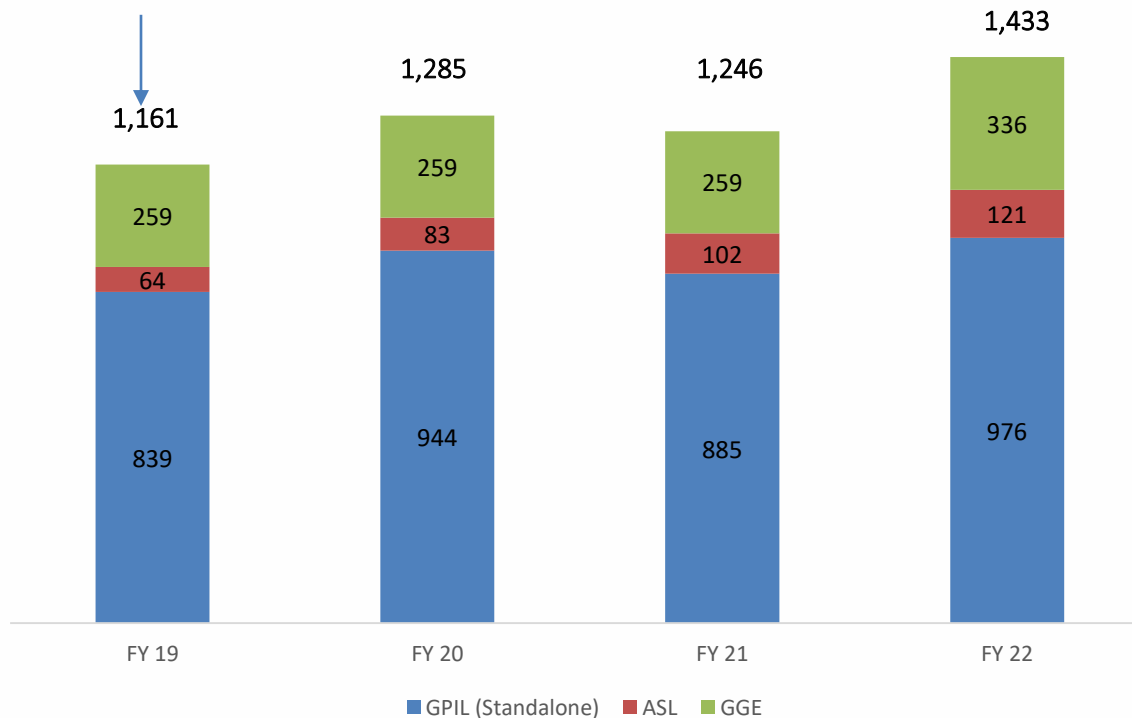
Net Debt To Equity: 1.5x

Net Debt To EBITDA: 2.4x

Entity Wise Debt Repayment Schedules

All figures in INR MN

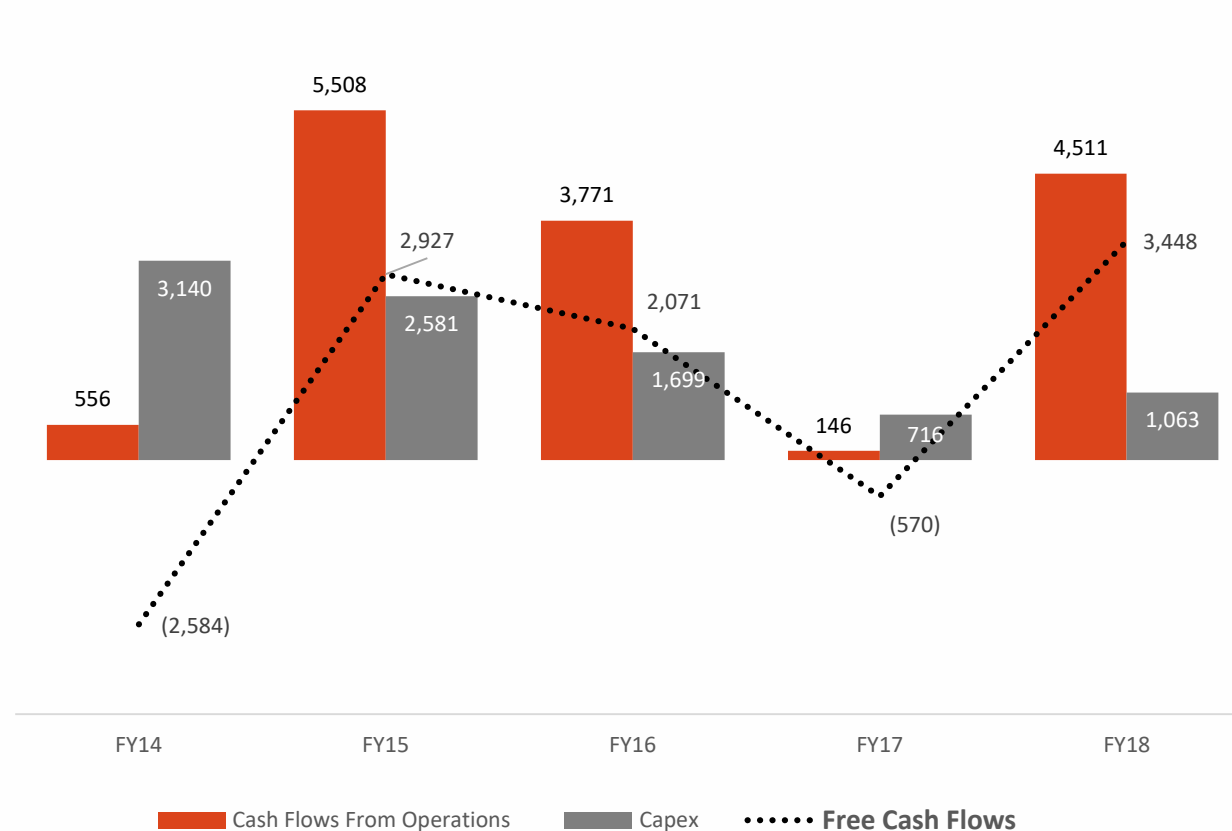
Majority of FY19 debt already repaid at the end of H1FY19 giving considerable headroom for future repayment.



FY23 & Beyond
INR 14,840 mn

- GPIL – INR 10,105 mn
- ASL – INR 1,144 mn
- GGE – 3591 mn

As Capex stabilises - FCFF to further strengthen the Balance Sheet



Capex Plan:
FY19 & FY20

Maintenance capex: INR 400 million p.a.

Value addition in Steel Billet process: INR 600 million investment (one-time)

Business Plan Going Forward

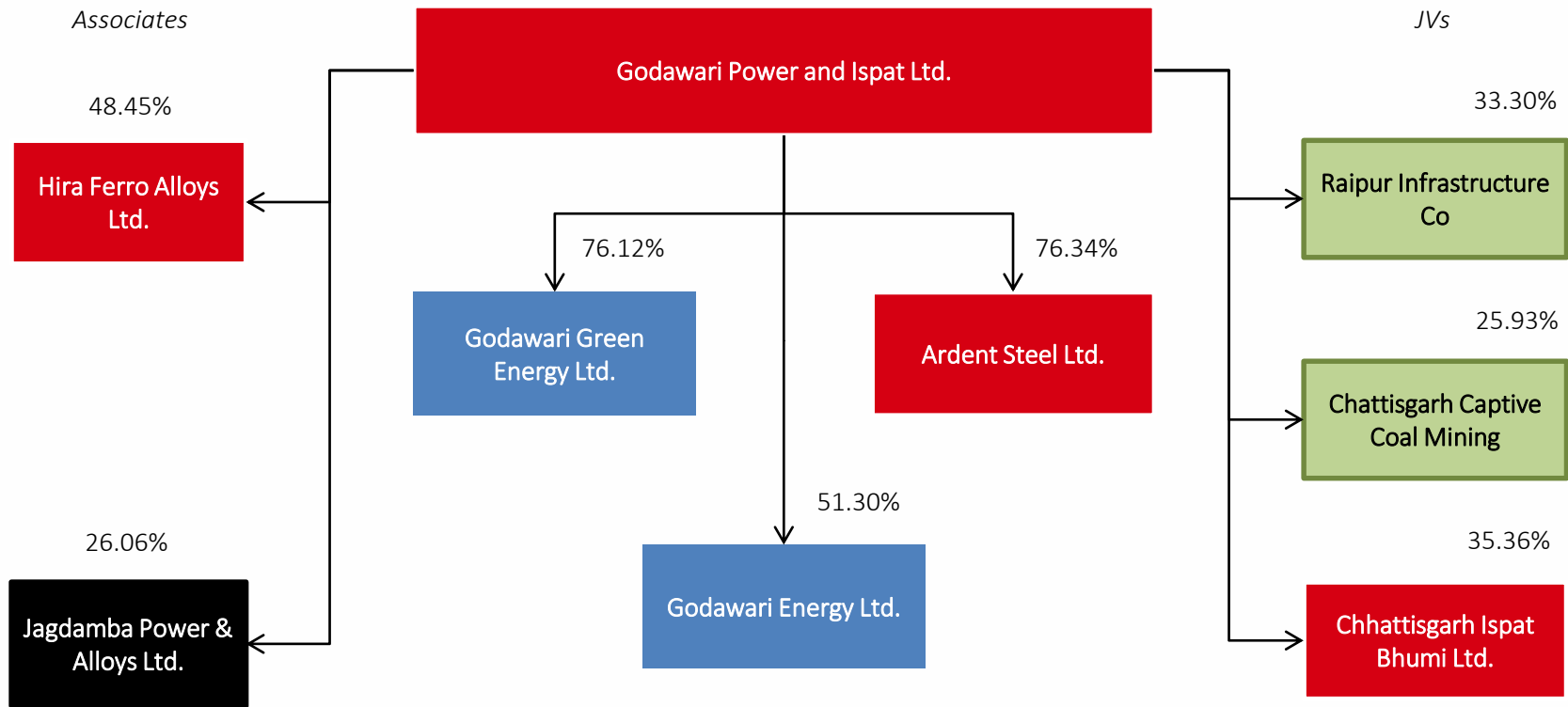
Efforts Towards Greater Operational Efficiencies

- Merge Jagdamba Power & Alloys into GPIL to increase share of captive power in Steel Billet manufacturing
- Incur capex of INR 600 million to install new rolling mill facility to facilitate increased utilisation levels in Steel Billets
- Use full production of Sponge Iron as captive raw material to increase production of Steel Billets

Expected Improvement in Business Processes

- Expected savings of INR 1,000/MT on incremental production of rolled products
- Additional 25 MW of power will be available for captive use from Jagdamba Power
- Expected reduction in fixed costs due to higher economies of scale & improvement in capacity utilization
- Capacity addition of 200,000 MT of wire rods by Q1FY20 for captive use

Group Structure to be Simplified through Non Core Divestment



Merger with GPIL in process



Non-core businesses

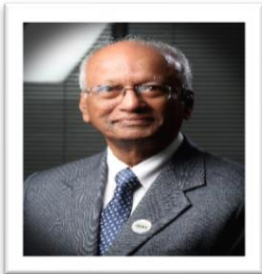


No change in structure; will remain as they are



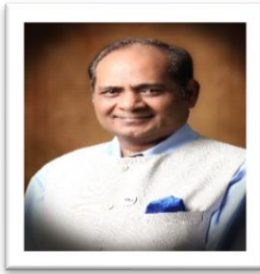
To be wound down; operations discontinued

Board of Directors



Mr Biswajit Choudhary (Chairman & Independent Director)

5 decades of experience in Engineering, Banking & Finance; Mechanical Engineering from IIT, Kharagpur



**Mr BL Agarwal
Managing Director**

- 1st generation entrepreneur with almost 4 decades of experience; Graduated as an electronic; started GPIL



Mr. Dinesh Agrawal (Executive Director)

2+ decades of association with GPIL; 2nd generation entrepreneur; Electrical Engineer; Overseeing setting up of captive power plant



Mr Abhishek Agarwal (Executive Director)

2nd generation entrepreneur; Masters in International Business from Leeds University, Started pellet plant in GPIL



Mr. Vinod Pillai (Executive Director)

2 decades of experience in Sales, Administration, Liaison & Logistics; Commerce graduate; plays vital role in commissioning of new projects of Hira Group of Industries



Mr. Siddharth Agrawal (Non-Executive Director)

Managing Director of subsidiary Godawari Green Energy Limited ; MBA with over 10 years of experience in various competencies

Board of Directors



Mr. Dinesh Gandhi
(Non-Executive Director)

3 decades of experience in
Accounts, Finance & Project
Financing; Chartered Accountant



Mr. Shashi Kumar (Independent
Director)

4+ decades of experience; B.Sc. In
Mining Engineering; Advisor to
NTPC, IFFCO & Chhattisgarh Power
Ltd



Mr. B N Ojha (Independent Director)
Bachelor of Electrical Engineering
from BIT Sindari with over 4
decades of experience; Member of
Export Committee, Department of
Atomic Energy, Govt of India



Ms. Bhavna G. Desai (Woman
Independent Director)

Over 2 decades of capital market
experience; Bachelor of Commerce
from University of Mumbai



Mr. Harishankar Khandelwal
(Independent Director)
Almost 3 decades of experience in
corporate planning & strategy,
financial analysis, budgeting etc
Chartered accountant by profession

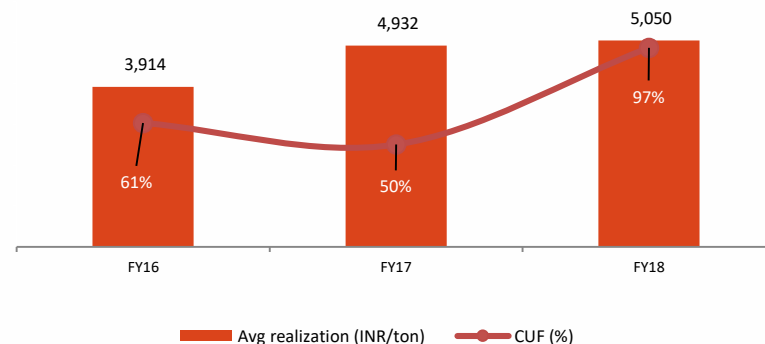
GPIL Standalone – Historical Profit & Loss

Particular (INR MN)	Mar-16	Mar-17	Mar-18
Net Sales	15,389	15,460	21,846
Other Income	123	137	82
Total Expenses	13,895	13,829	17,523
EBIDTA	1,617	1,769	4,405
EBIDTA Margin (%)	11%	11%	20%
Depreciation	730	782	895
Finance Costs	1,632	1,767	1,848
PBT	-746	-780	1,662
PBT Margin (%)	- Ve	- Ve	8%
Exceptional Items	-	-	-55
Tax	-264	-6	-213
PAT	-482	-774	1,820

Subsidiary | Ardent Steel

- The company has a total production capacity of 0.69 mn MTPA pellet which located in Phuljhar, Keonjhar, Odisha
- The plant uses iron ore from the merchant mines in Barbil, located in the Keonjhar district
- The debt has also been restructured by the lenders for a for a tenor of 14 years starting FY17

Operating Metrics



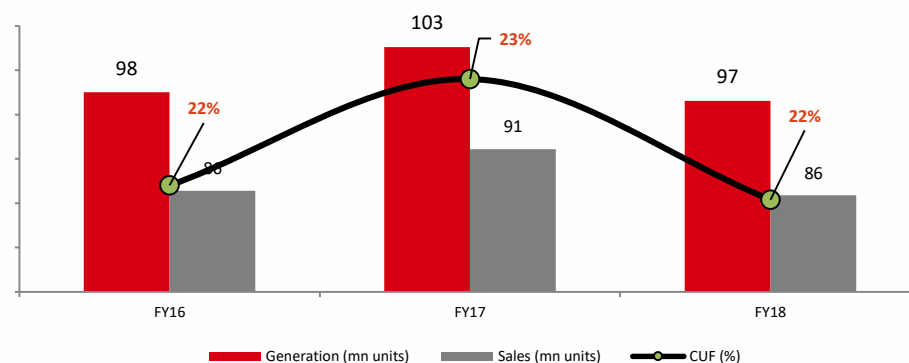
Summary financials

Particulars (INR mn)	FY16	FY17	FY18
Net Sales	1,804.0	1,470.5	2,965.6
EBITDA	(299.3)	279.7	764.3
EBITDA Margin (%)	(16.6%)	19.0%	25.8%
Depreciation	151.4	111.4	112.2
Finance Costs	199.4	216.1	222.6
PAT	(447.1)	(32.3)	281.8
PAT Margin (%)	(24.8%)	(2.2%)	9.5%

Subsidiary | Godawari Green Energy

- Facility located in village Naukh, Jaisalmer, Rajasthan
- GGEL has been set up to implement project awarded under Jawaharlal Nehru National Solar Mission, Phase I of Govt. of India
- The first plant to be commissioned in India & is operational since FY14
- Take-off arrangement under fixed price PPA with NTPC Vidyut Vyapar Nigam (NVVN) for 25 years at 12.20 per unit of power supplied
- Project debt structured under 5-25 scheme for infrastructure project thereby giving a repayment tenor of 15 years, beginning from September 2016

Operating Performance



Summary financials

Particulars (INR mn)	FY16	FY17	FY18
Net Sales	1,053.8	1,113.5	1,065.6
EBITDA	963.9	1,025.2	898.6
EBITDA Margin (%)	91.5%	92.1%	84.3%
Depreciation	301.9	307.6	310.8
Finance Costs	631.3	624.4	580.1
PAT	(4.1)	64.8	6.1
PAT Margin (%)	(0.4%)	5.8%	0.6%

GPIL Consolidated – Historical Profit & Loss

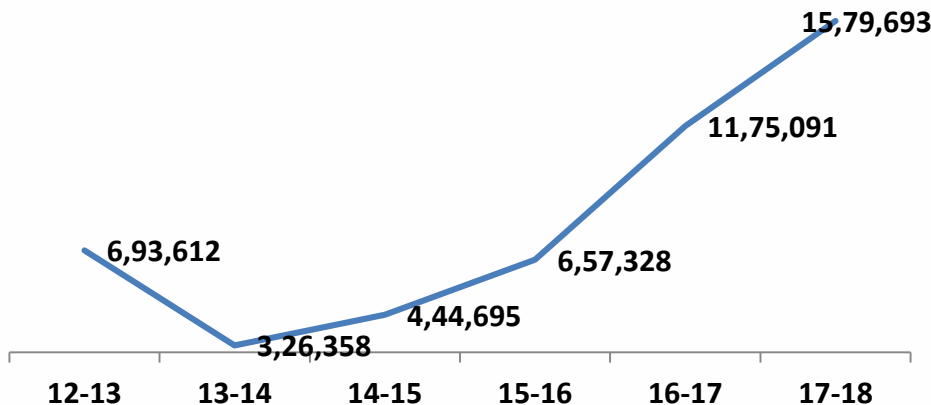
Particulars (INR MN)	Mar-16	Mar-17	Mar-18
Net Sales	19,797	18,044	25,888
Other Income	189	153	87
Total Expenses	17,626	15,137	19,919
EBIDTA	2,360	3,061	6,056
EBIDTA Margin (%)	12%	17%	23%
Depreciation	1,265	1,201	1,318
Finance Costs	2,520	2,592	2,633
PBT	-1,425	-732	2,105
PBT Margin (%)	-	-	8%
Exceptional Items	-	-	-55
Share of Profit	-45	3	34
Tax	-471	7	-64
PAT	-999	-736	2,147

GPIL Consolidated – Historical Balance Sheet

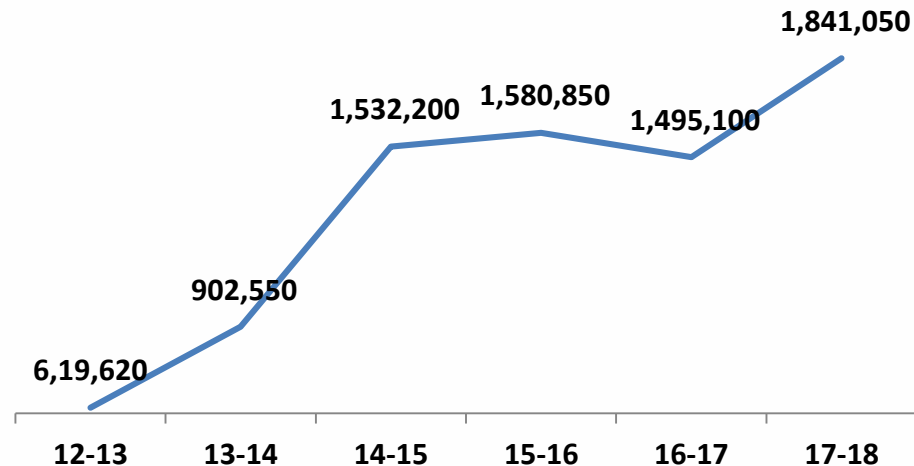
EQUITY & LIABILITIES (INR Mn)	Mar-16	Mar-17	Mar-18	ASSETS (INR Mn)	Mar-16	Mar-17	Mar-18
Shareholders funds				Non-Current Assets			
Share Capital	328	341	341	Fixed Assets	25,123	24,622	24,355
Reserves and Surplus	7,923	6,628	8,892	Capital Work-In-Progress	-	1,355	1,710
Share Warrants and Outstandings	-	-	-				
Non Controlling Interest	1,034	1,533	1,604	Non Current Investments	1,081	1,084	1,311
				Long Term Loans and Advances	50	-	-
Non Current Liabilities				Other Non-Current Assets	6	97	115
Long term Borrowings	13,693	19,799	18,729	Deferred Tax Assets	-	151	655
Deferred Tax Liabilities	370	-	-				
Other Long Term Liabilities	24	18	20	Current Assets			
Long Term Provisions	42	63	83	Current Investments	2	-	-
				Inventories	4,311	3,044	4,323
Current Liabilities				Trade Receivables	1,039	1,136	1,558
Short Term Borrowings	3,407	1,955	1,344	Cash and Bank Balances	981	511	522
Trade Payables	4,415	1,247	1,611	Short Term Loans and Advances	2,218	-	-
Other Current Liabilities	3,578	944	1,887	Other Current Assets	4	1,889	1,678
Short Term Provisions	3	4	5				
TOTAL	34,816	32,532	34,517	TOTAL	34,816	32,532	34,517

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

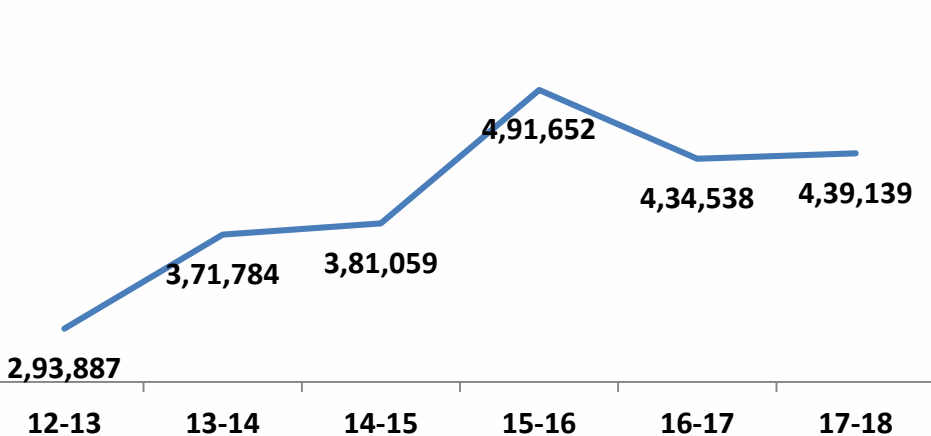
Trend of Iron ore Mining (mt)



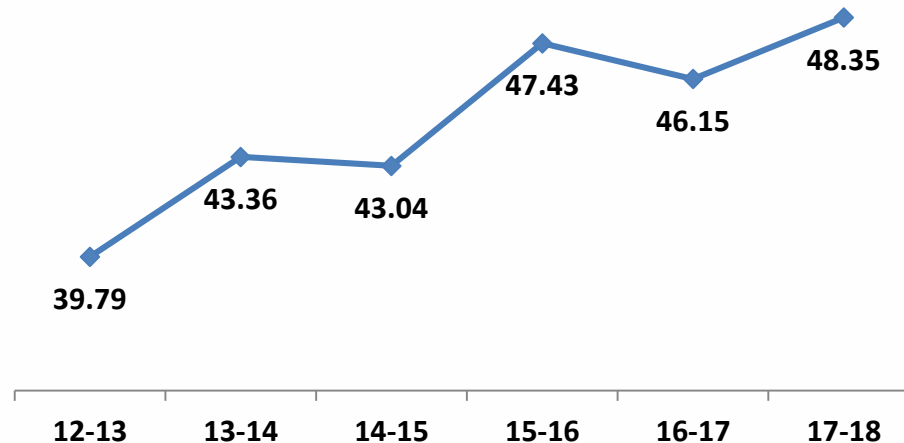
Trend of Pellet Production (mt)



Trend of Sponge Iron Production (mt)

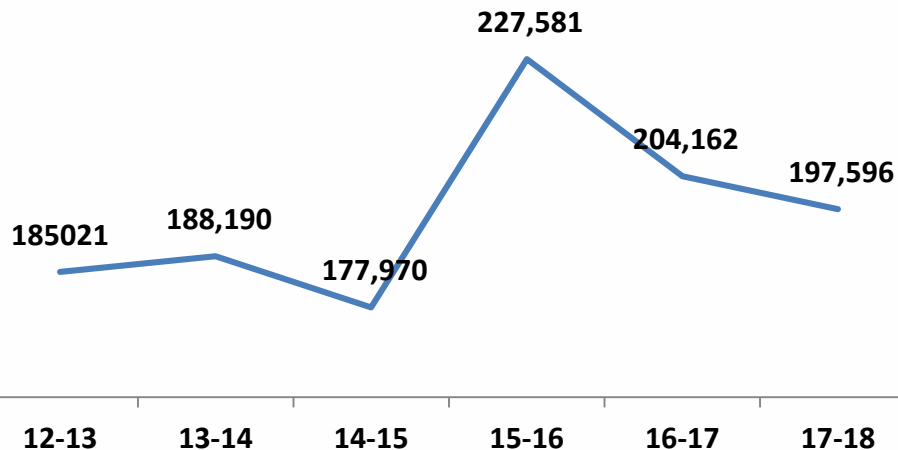


Trend of Power Generation (Kwh in Cr)

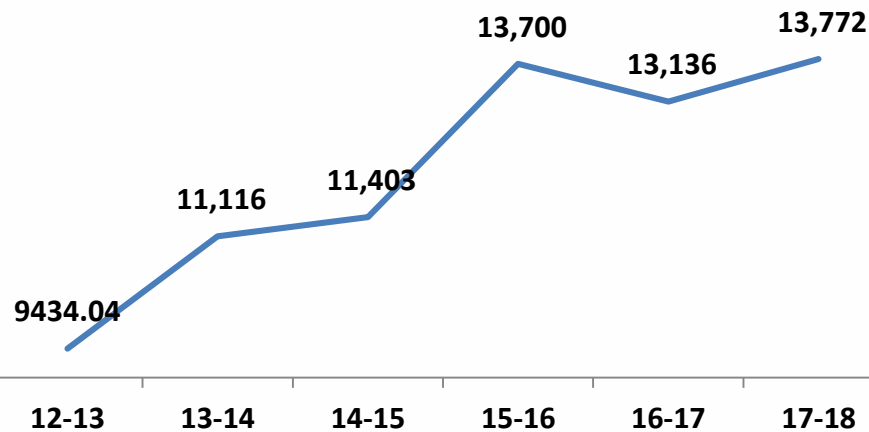


GPIL Standalone – Past Operational Performance at a Glance...

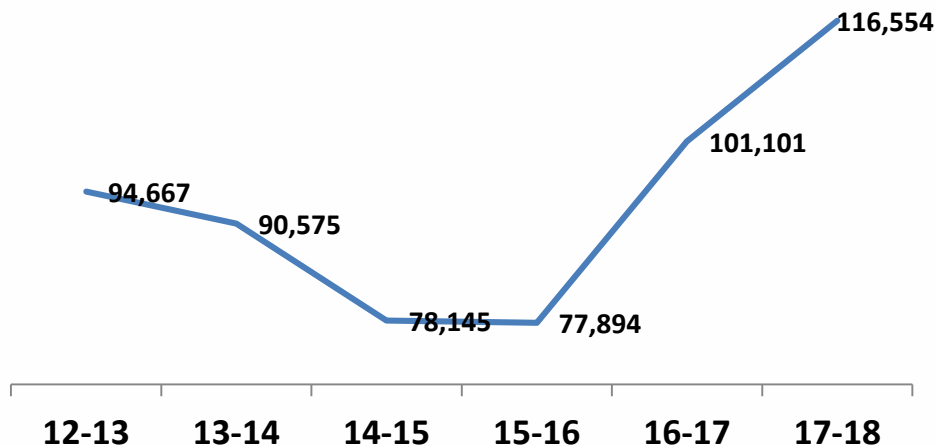
Trend of Steel Production (mt)



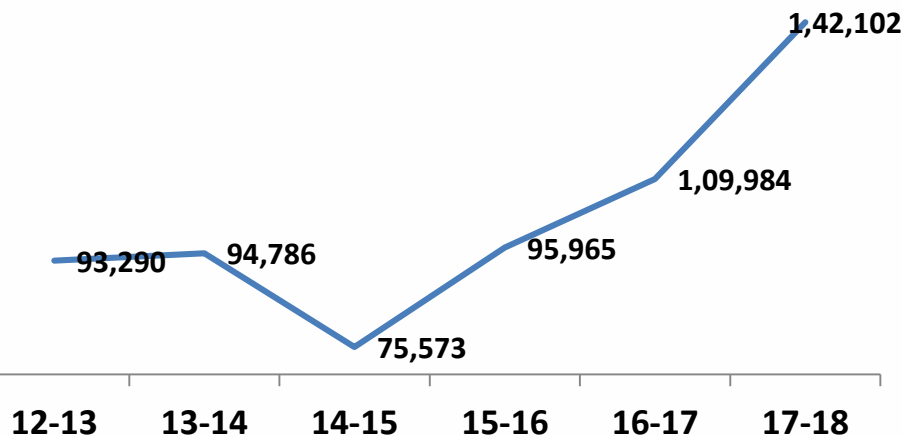
Silico Manganese (MT)



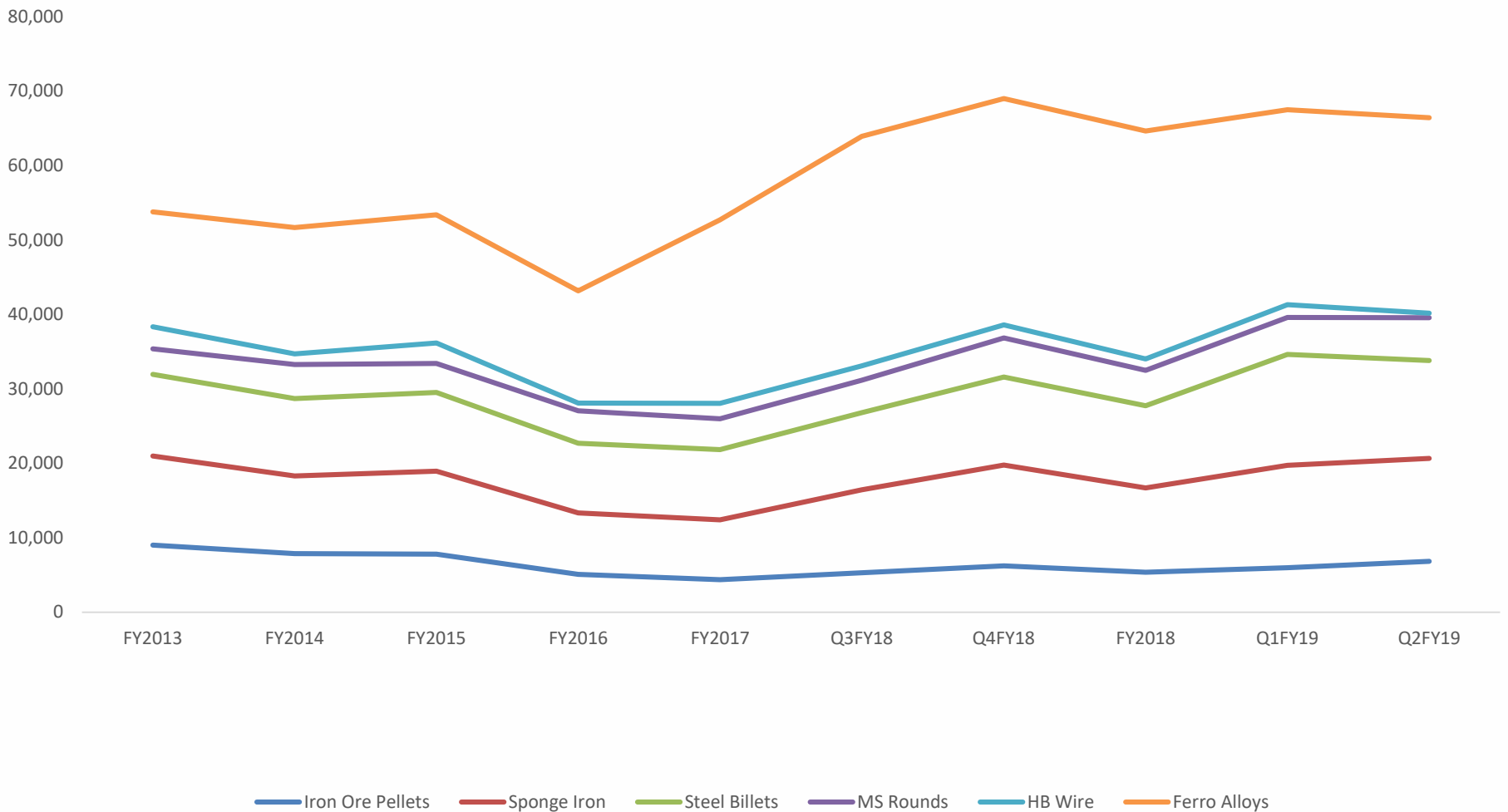
Trend of Wire Production (GPIL+RR)



Trend of TMT+Wire Rod production (mt)



Past Sales Realisations



Thank you



GODAWARI POWER & ISPAT