

Godawari Power & Ispat Ltd

Site Visit Presentation April'2022



Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Godawari Power and Ispat Limited (the “Company”) solely for the information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company

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 undertake to update any forward -looking statement that may be made from time to time by or on behalf of the company.

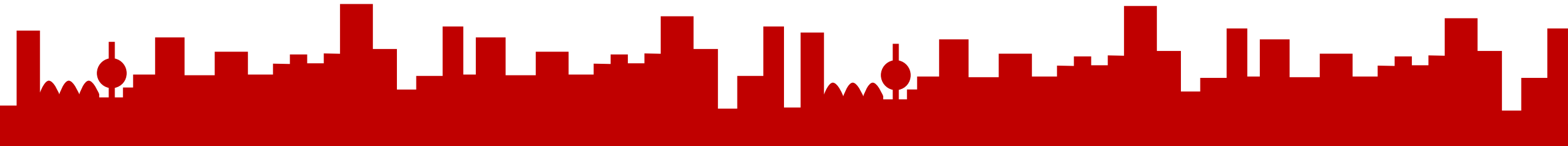
This Presentation has been prepared by the Company based on information and data which the Company considers reliable. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. The Company does not make any promise to update/provide such presentation along with results to be declared in the coming years.





GPIL

Profitable and Sustainable
Growth

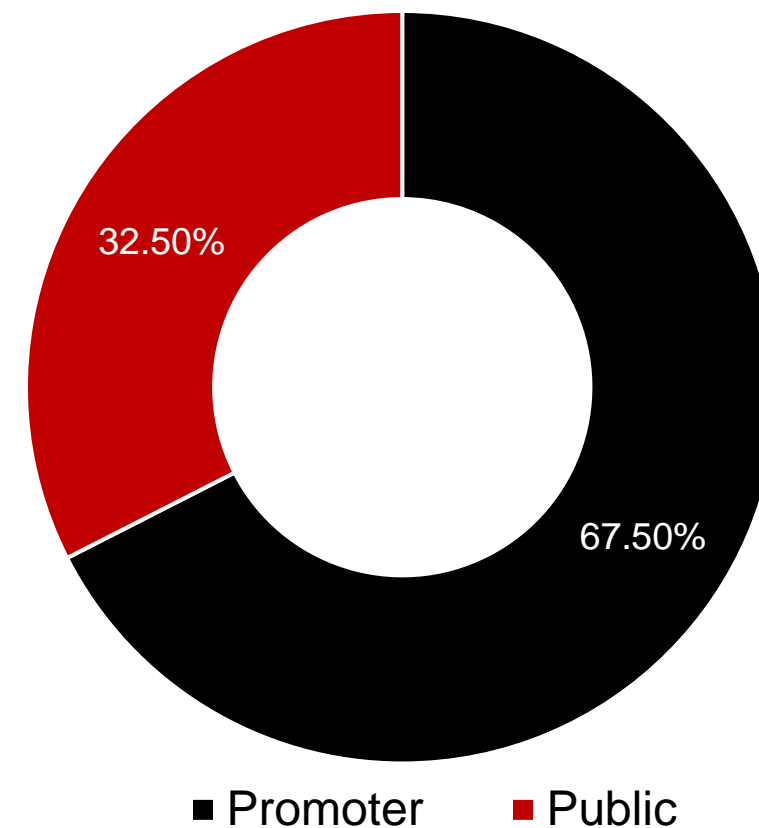


Introduction

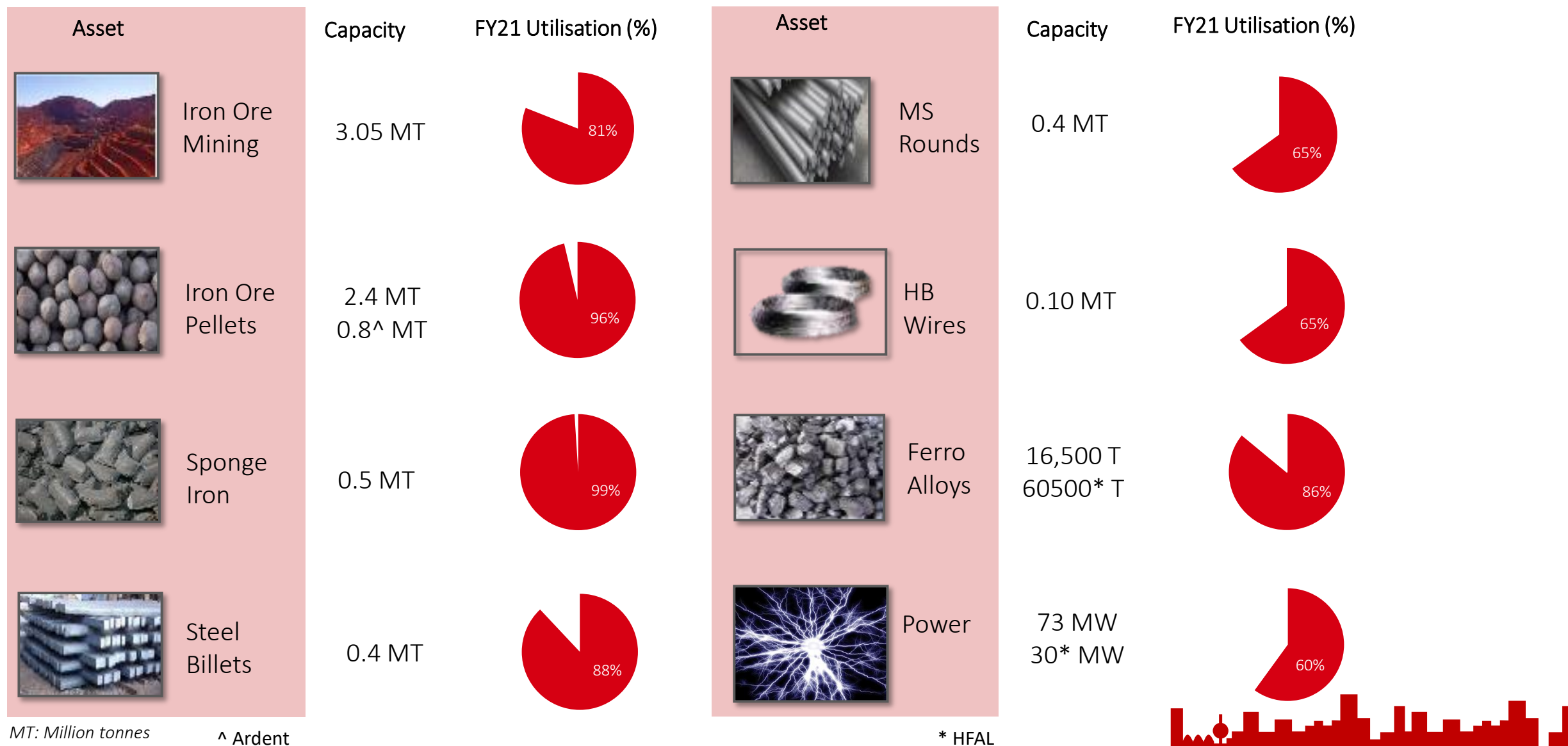
Company Overview

- Incorporated in 1999; commercial operations in FY01.
- Integrated steel company with presence across the steel value chain. Captive iron ore resources – a big competitive advantage.
- **Company has grown multi-fold under the leadership of Mr B.L. Agarwal, a first-generation entrepreneur, who possesses more than four decades of experience in the steel industry.**

Shareholding Pattern as on December 2021



Unique Presence Across Steel Value Chain



Manufacturing Facilities

Siltara Integrated Plant Chhattisgarh

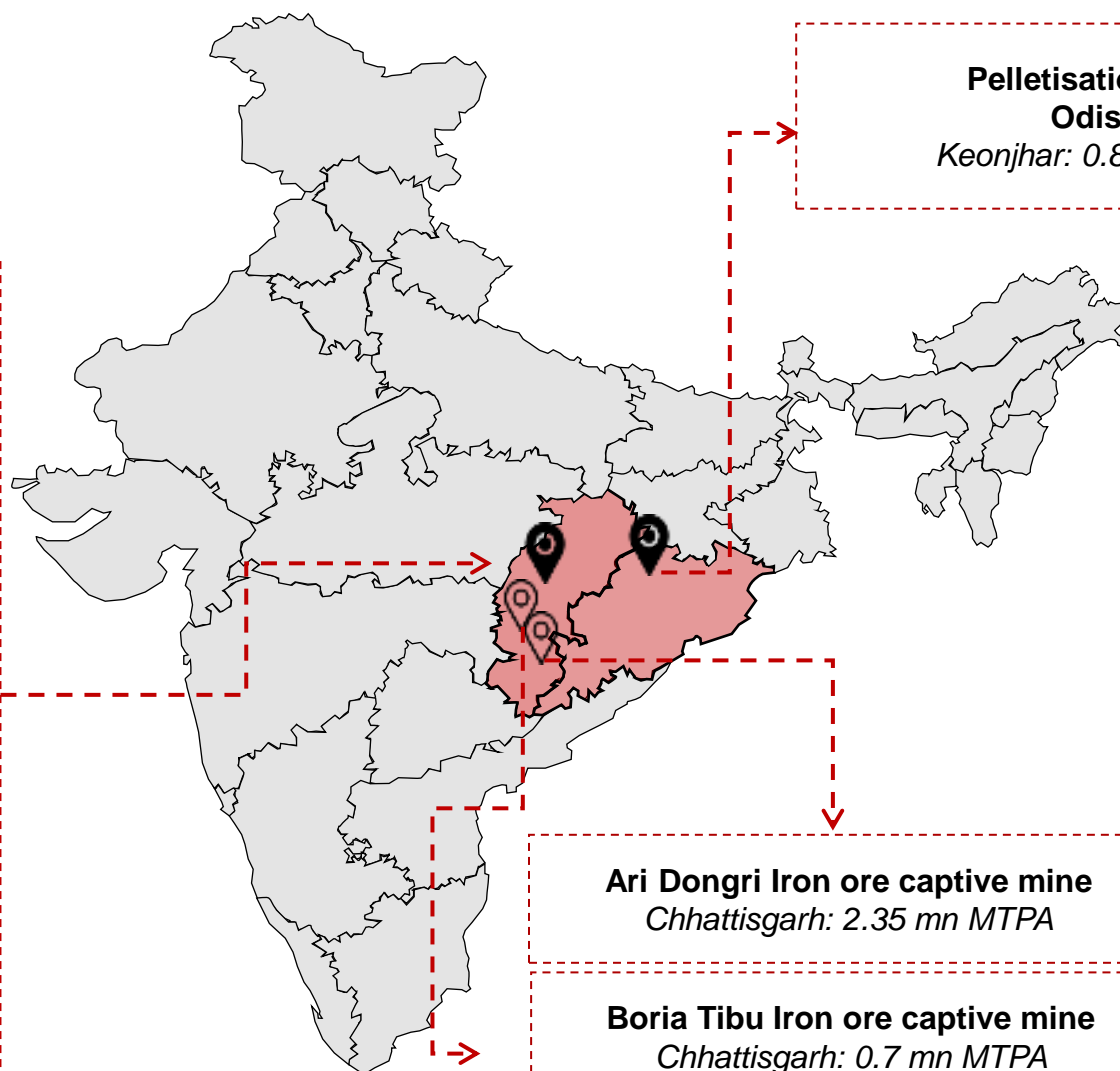
3.3 mn MTPA Iron ore beneficiation
2.4 mn MTPA Iron ore pellets
0.5 mn MTPA Sponge iron
0.4 mn MTPA Steel billets
0.2 mn MTPA Wire-Rod Mill
0.3 mn MTPA HB wire
73 MW Captive Ppower
25 MW power from JPL
16,500 MTPA Ferro alloys
0.4 mn MTPA Rolling mill
0.1 mn MTPA Pre Fab Structure

Urla Industrial Area

0.2 mn MTPA Wire-rod mill
0.11 Mn MTPA Fabrication Shop
60,500 TPA Ferro Alloys (HFAL)
20MW Captive Powrer (HFAL)

Other Locations

8.50 MW Bio Mass IPP (HFAL-
Mahasamund)
1.50 MW Wind Mill (Karnataka)

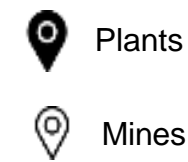


Pelletisation Plant Odisha

Keonjhar: 0.8 mn MTPA

Ari Dongri Iron ore captive mine Chhattisgarh: 2.35 mn MTPA

Boria Tibu Iron ore captive mine Chhattisgarh: 0.7 mn MTPA

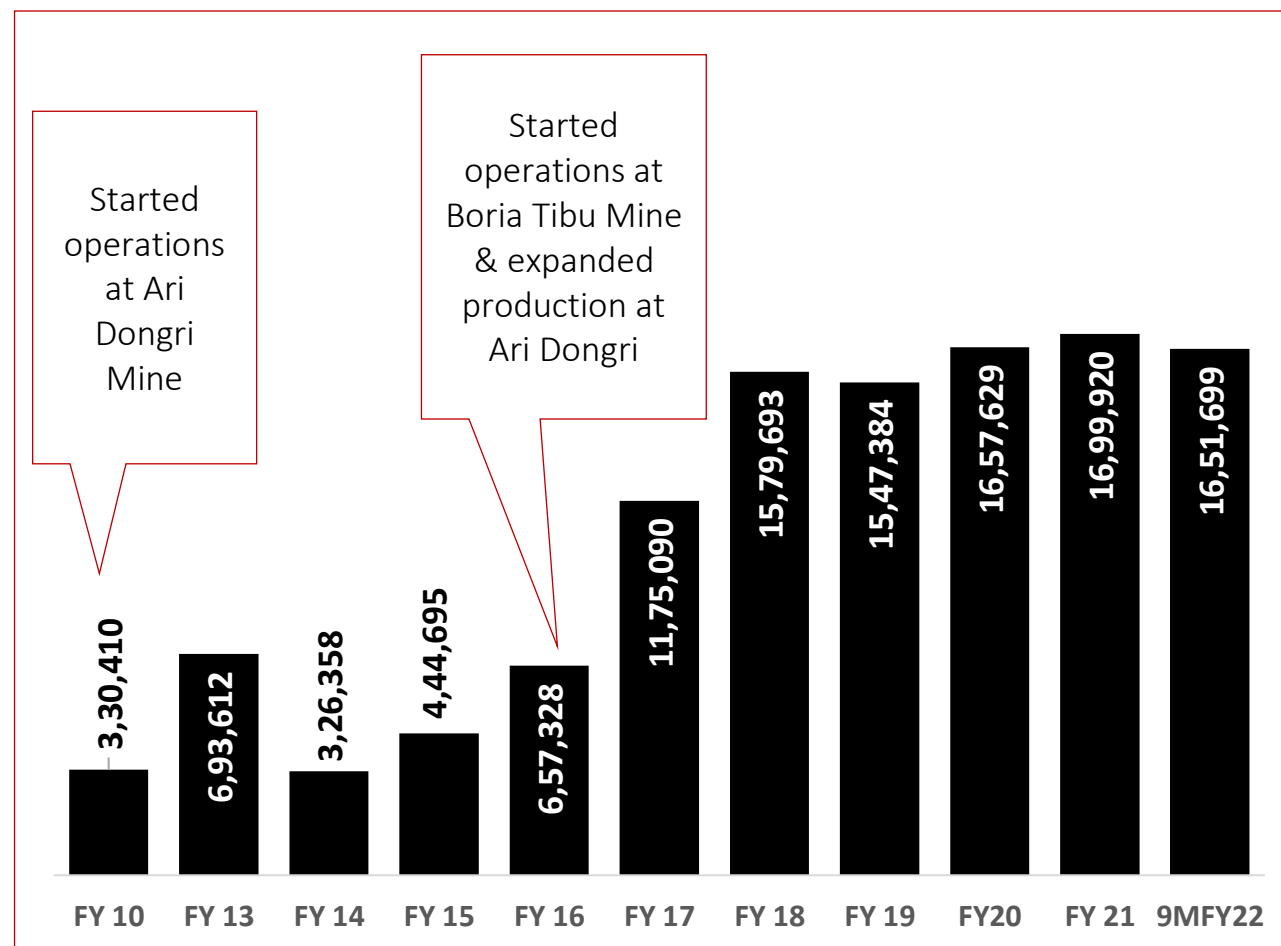


Captive Mines – A Competitive Advantage

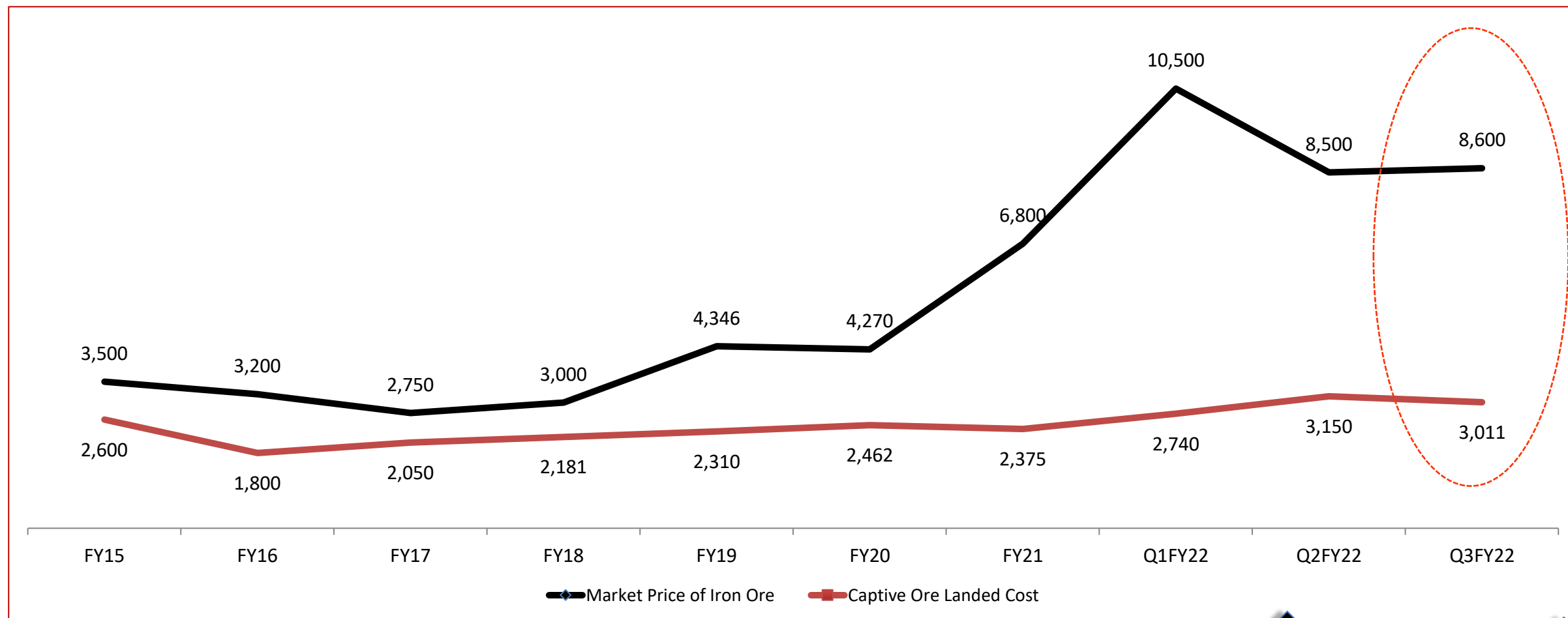
- GPIL has two captive Iron Ore Mines - Ari Dongri Mine and Boria Tibu Mine
- Both are strategically located in Chhattisgarh
- 35+ years of mine life remaining with existing capacity.
- Increased captive mining aids in lowering cost and improving margins.
- Estimated Reserves (Exploration is still going on)
 - Ari Dongri : 80 MT
 - Boria Tibu : 85 MT



Iron Ore Production (Mn Tons)



Strategic Edge of Captive Mines



Strong Future Outlook - Low-cost Capacity Expansion

Particulars	Capacity FY21	Capex	Capacity FY22	Current Status
Iron Ore Mining & Beneficiation	2.1 mt	INR 1250 Mn*	3.05 mtpa	Mining production ramp-up in 2nd half. Beneficiation plant at mine to commission in H2FY23. Capex increased on account of setting up beneficiation plant at mine.
Sponge Iron	0.5 mt	NIL	0.6 mtpa	Project completed. State Pollution Board permission delayed and still awaited.
Steel Billets	0.4 mt	INR 600 Mn	0.7 mtpa	Expected completion by Q4FY23. Project delayed due to some changes in business plan.
Power Plant (Replacement of Turbines)	73 MW	INR 860 Mn	73 MW	Existing power generation capacity of 73 MW will continue to operate. The Company now plans to replace old turbines with new high efficiency turbines with capacity of 48MW, which will result in higher annual power generation effectively by 11% without any additional fuel & operating cost. Project to commission by end FY23.

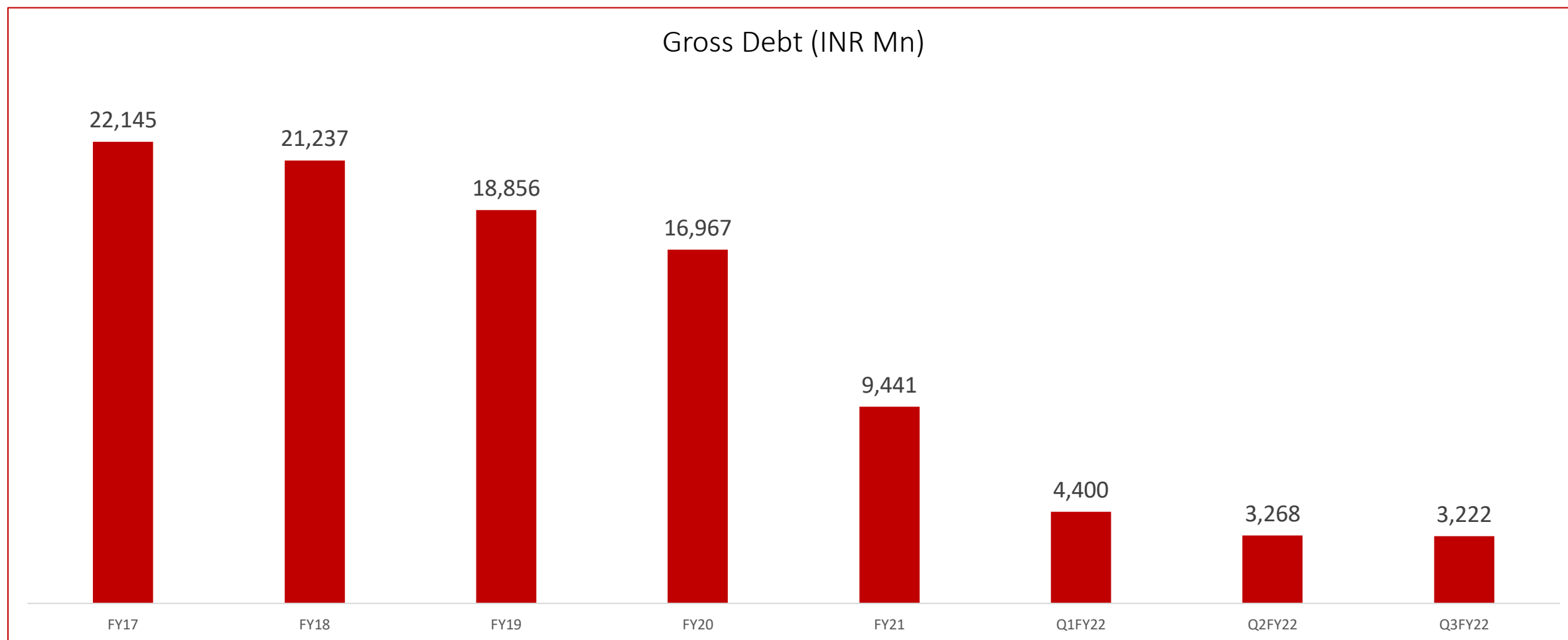
*Includes capex for beneficiation and crushing plant at mine location

Carbon Footprint Reduction Strategy

Particulars	Capacity FY21	Capex	Capacity FY22/FY23	Current Status
Solar PV Projects				
GPIL - Rajnandgaon	-	INR 2600 Mn	70 MW	Land acquired. Construction started. Solar modules delivered and cleared from customs. Project commissioning expected by end of April 2022.
GPIL - Bemetara	-	INR 1100 Mn	25 MW	Land acquisition in process. Solar modules delivered & cleared from Customs. Commissioning expected by Q3 FY23
HFAL - Bemetara	-	INR 2650 Mn	60 MW	Land acquisition in process. 127 acre of land already acquired out of 150 acres required. Solar modules delivered and cleared from Customs. Project construction to start in middle of April, 2022 and Commissioning expected by Q3 FY23.

Balance Sheet Strengthening

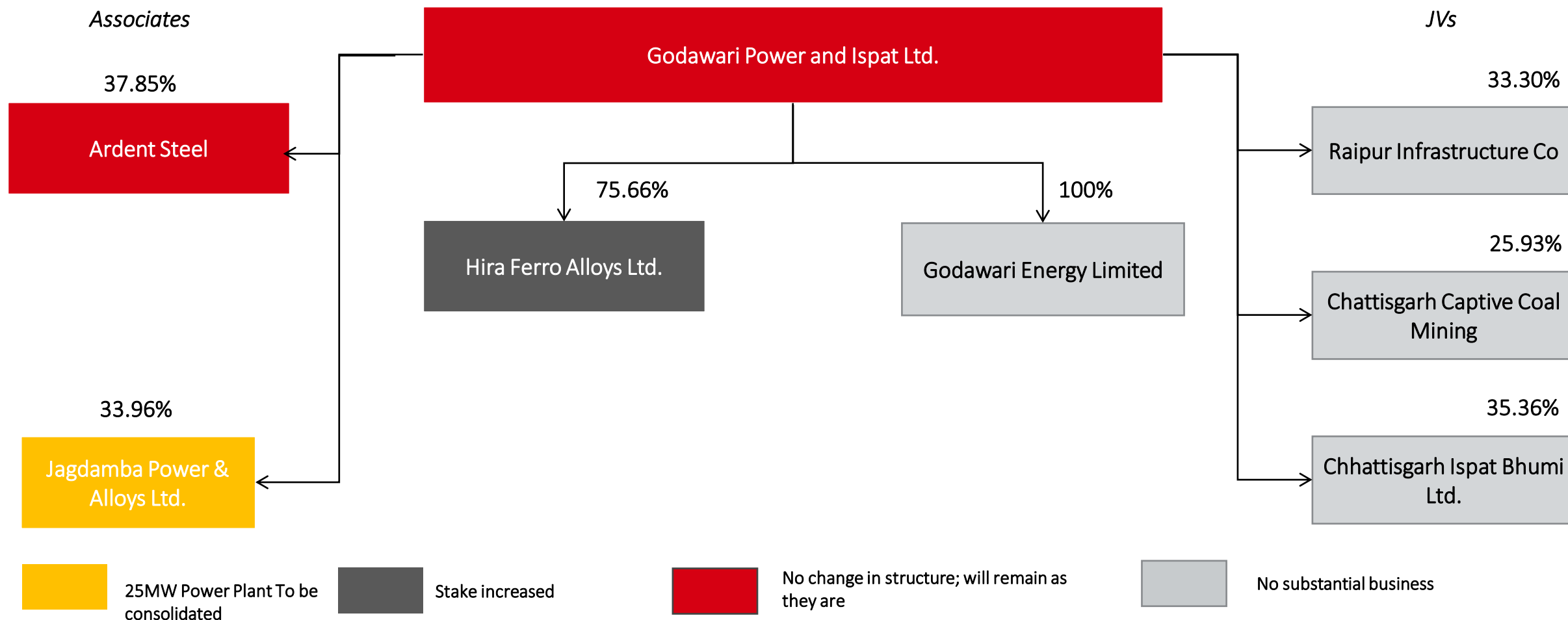
Consolidated long term debt brought down to zero as on date.



GPIL has divested its stake in GGEL – making GPIL a Net Cash Company.



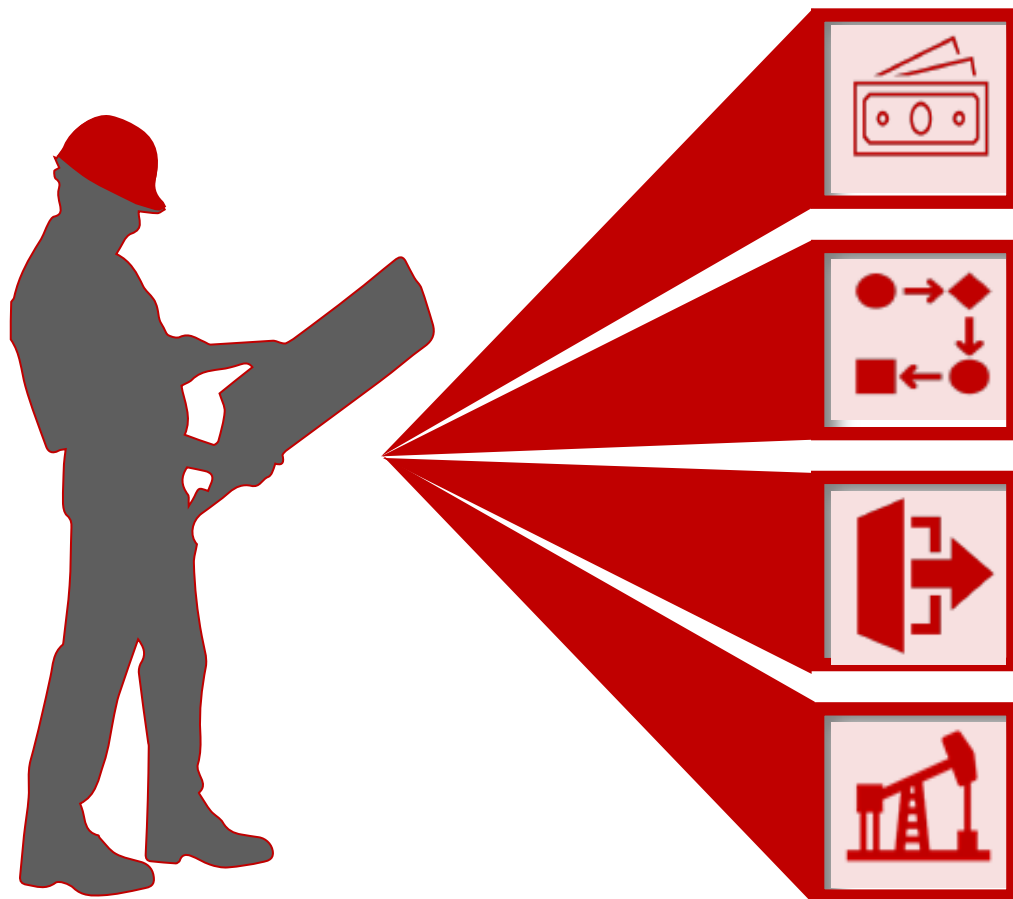
Simplifying Group Structure



GPIL divested its stake in GGEL (non-core business) in March'22.



Delivering on Strategy



Balance Sheet Strengthening

- GPIL is now long-term Debt Free Company
- CRISIL Ratings upgraded - long-term bank facilities rated 'CRISIL A+/Stable' from 'CRISIL A/Stable'

Asset Sweating and Reducing Carbon Footprint

- Enhanced Iron ore production capacity; Iron Beneficiation Capacity enhanced and commenced operation
- 155 MW Captive Solar Power Project under execution.

Simplifying Group Structure

Exit Non-Core Business

- Strategic stake sale in Ardent Steel; stake reduced to 38% from 76%.
- Divested entire stake in GGEL.
- Stakes increased : GEL – 51% to 100%; HFAL – 48.45% to 75.66%, aim to consolidate balance stake going forward.

Proposed Expansion in Steel Making Capacity

- Signed an MoU with Chhattisgarh Government to set up a 2.0 mtpa steel capacity by 2024-25.
- Applied for land acquisition & environment approval.
- HR/CR mill proposal dropped at this stage due to high cost of project.
- Final Plant design and financial viability study under process. Final Project details & cost of project to be announced in due course

Growth Strategy Clearly Outlined

What We Are

- Amongst India's best mid-sized steel companies (by product quality, margins, material efficiency, asset utilisation and worker productivity)
- Strong Balance Sheet, with zero long-term debt
- Attractive credit-rating A+.



**Sustainable
Most Profitable**

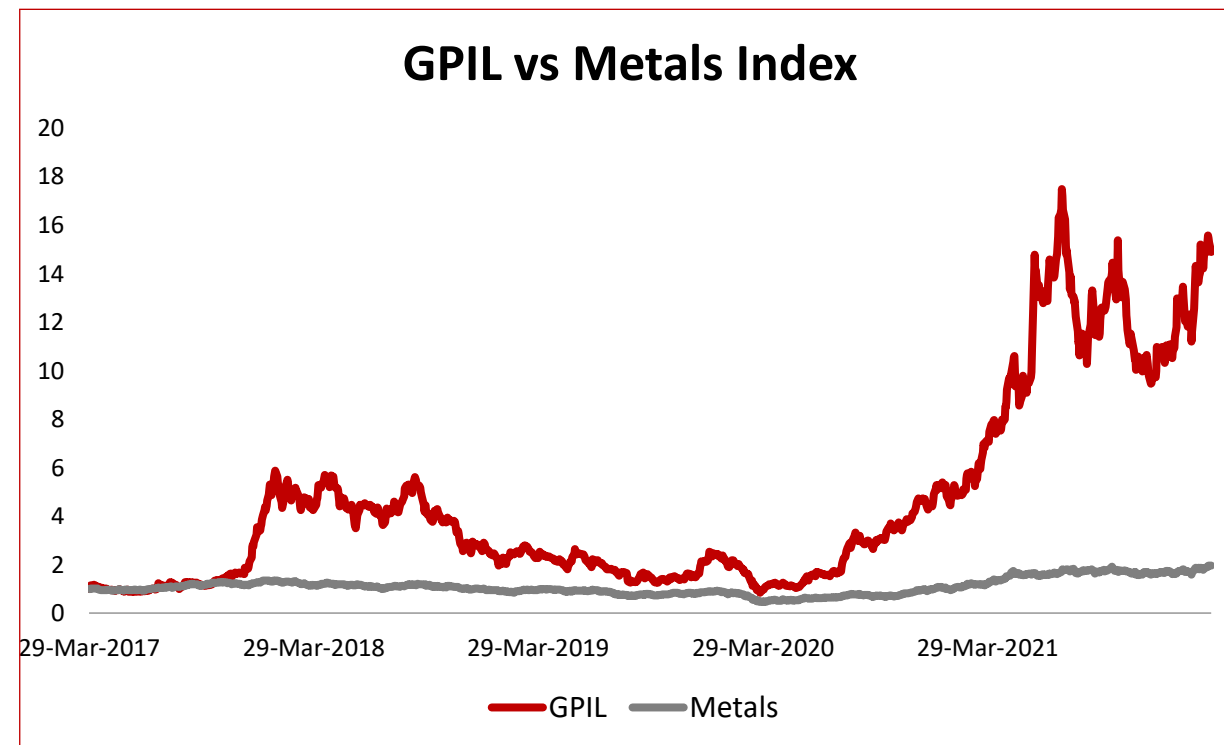
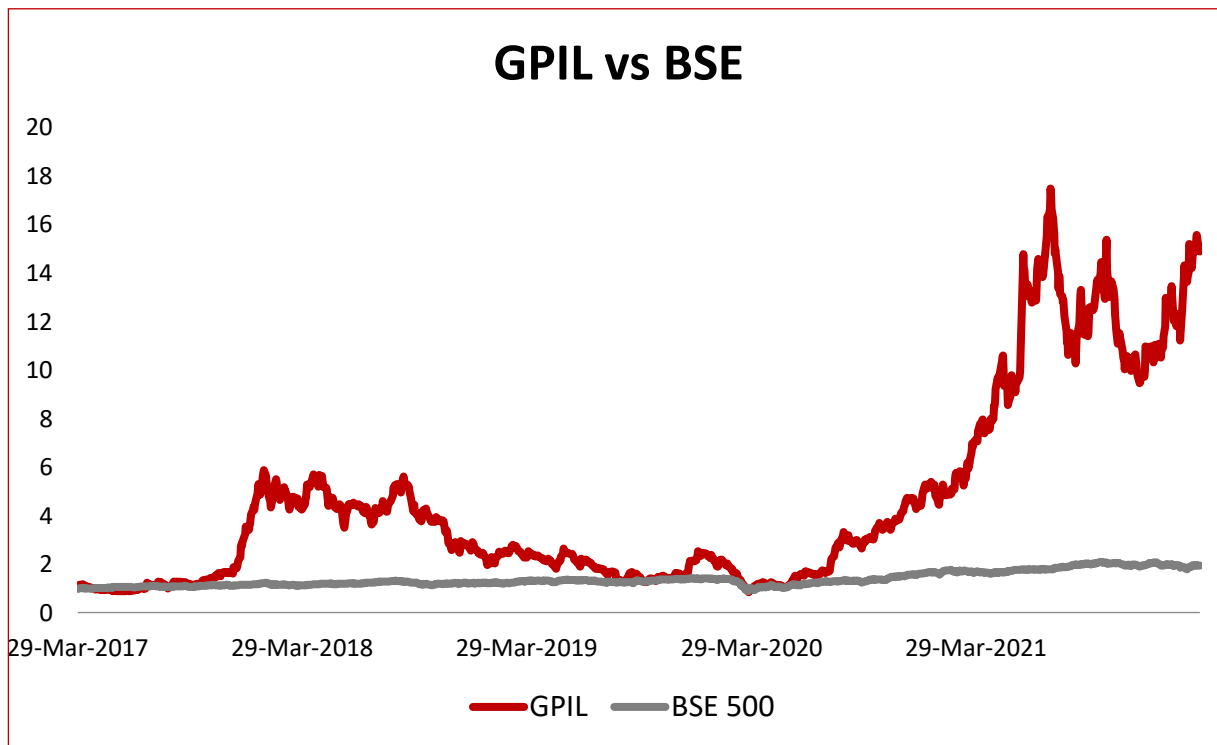
**Most Profitable,
Debt Free**

What We Wish to Be

- Carbon neutral in steel production – increase renewable energy consumption; improve energy efficiency through use of high grade iron ore
- Play on competitive strength – increase production of iron ore; beneficiate low grade iron ore.
- Enhance multi-year revenue and EBIDTA visibility.

Continue to generate substantial shareholders value.

Creating Superior Shareholders Value

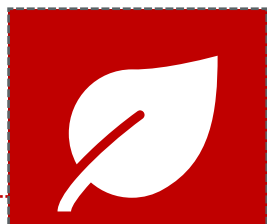


Absolute Stock Return				
3 Months	6 Months	1 Year	3 Years	5 Years
49%	23%	108%	554%	1388%



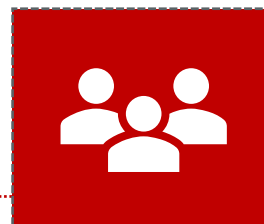
Strengthening the ESG Framework

Aligned with United Nations' 10 principles for manufacturing responsibility and environmental sustainability



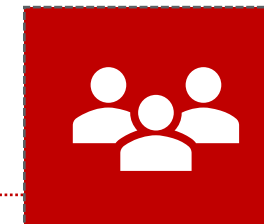
Environment Responsibility

- Investing in environmentally friendly technologies
- Focussed on renewable sources of energy
- Reducing carbon footprints – aiming at Carbon Neutral growth through new solar PV projects



Social Responsibility

- Strong community engagement
- Talent development through skill set training and mentoring
- Developing a stable eco – system of vendors

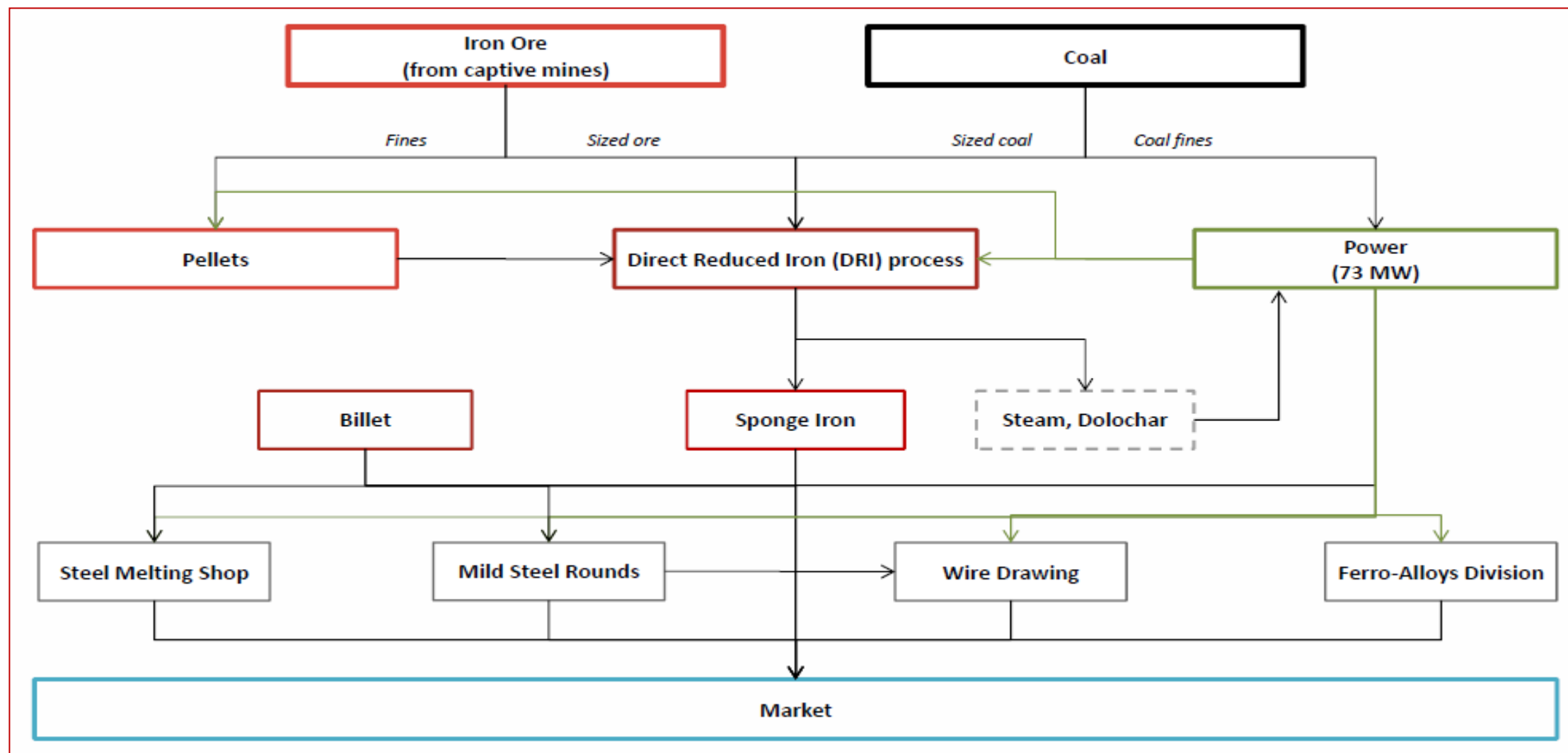


Governance Framework

- Strategic Clarity – delivering as per stated strategy (Sale of non core assets; balance sheet strengthening)
- Disciplined capital allocation
- Robust risk management framework

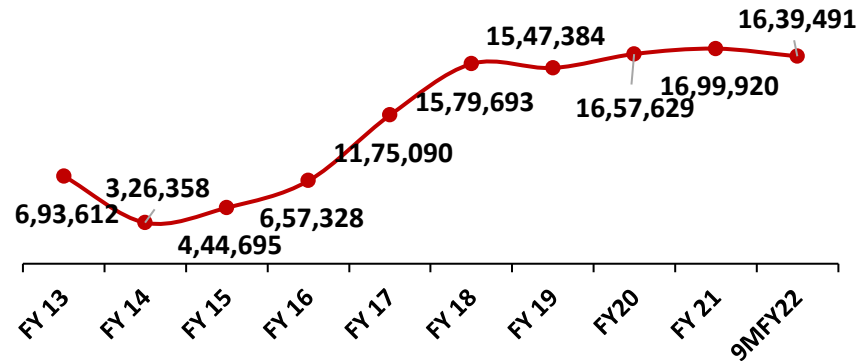


Production Flow Chart

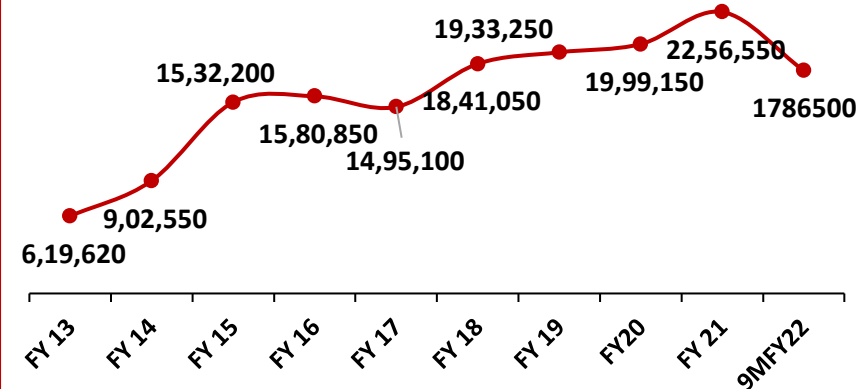


GPIL Standalone – Past Operational Performance at a Glance...

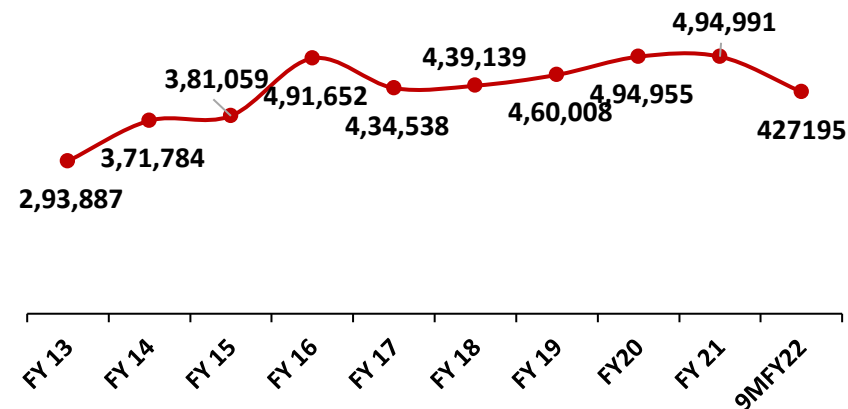
Trend of Iron Ore Mining (mt)



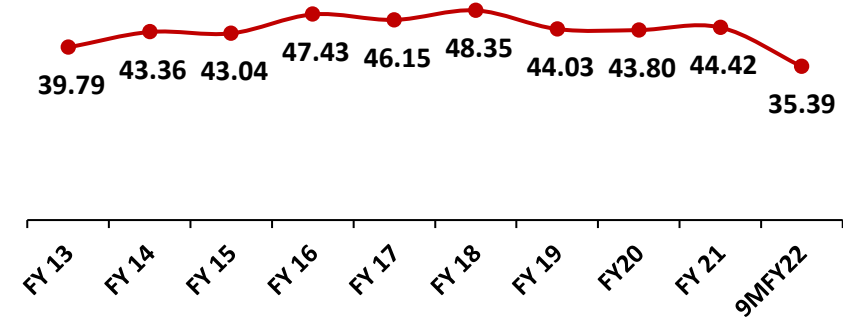
Trend of Pellet Production (mt)



Trend of Sponge Iron Production (mt)

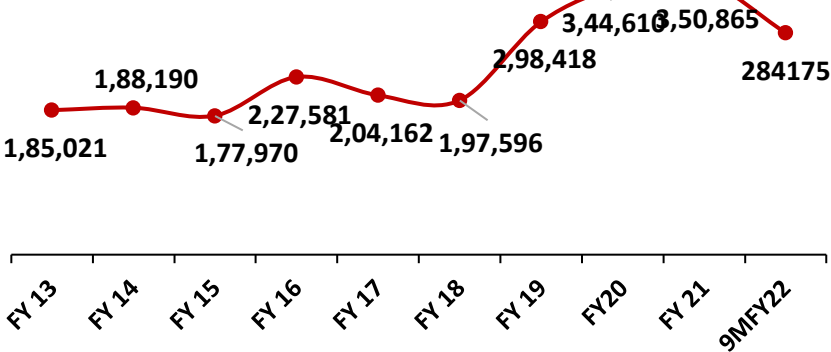


Trend of Captive Power Generation (kwh in Cr)

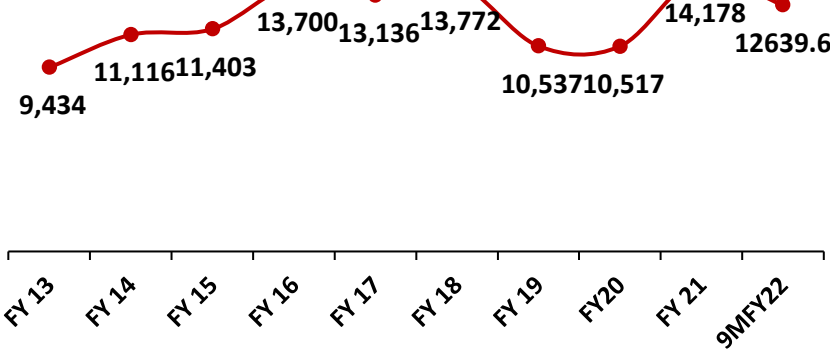


GPII Standalone – Past Operational Performance at a Glance...

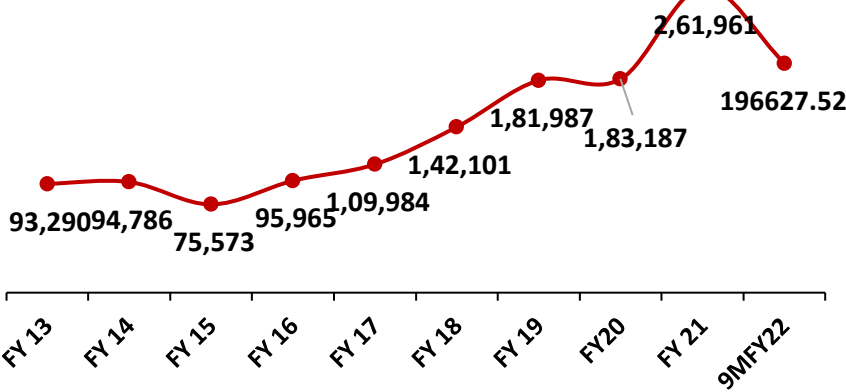
Trend of Steel Production (mt)



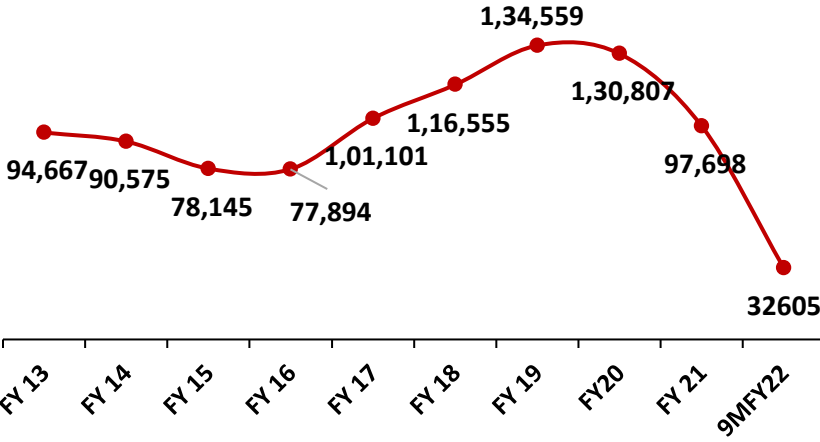
Trend of Silico Manganese (mt)



MS Rounds Production (mt)



HB Wire Production (mt)



GPIL Consolidated – Historical Profit & Loss

Particulars (in Million)	9MFY22	FY21	FY20	FY19	FY18
Net Sales	40,407	40,719	32,885	33,216	25,274
Total Expenses	25,091	28,430	26,643	25,323	19,305
Other Income	118	40	47	58	87
EBITDA	15,316	12,289	6,289	7,952	6,056
EBITDA Margin (%)	38%	30%	19%	24%	23%
Depreciation	996	1,385	1,369	1,329	1,318
Finance Costs	424	1,539	2,119	2,526	2,633
PBT	13,637	9,405	2,801	4,097	2,104
Tax	3,466	3,161	954	1,529	-64
PAT	10,602	6,384	1,744	2,607	2,147

GPIIL Consolidated – Historical Balance Sheet

Particulars (INR mn)	H1FY22	FY21	FY20	FY19	FY18
Net Worth	27,905	21,080	15,026	13,364	10,837
Non-Controlling Interest	1,974	724	1,773	1,672	1,604
Debt					
Long Term Debt	3,435	7,711	14,645	16,431	18,730
Short Term Debt	1,257	814	1,604	1,393	1,344
Other Long Term Liabilities	1,937	1,851	605	127	103
Current liabilities					
Accounts Payable	2,453	1,962	1,783	2,030	1,611
Other Current Liabilities (including current maturities of LT Debt)	1,718	1,319	1,153	1,766	1,892
Total Liabilities and Equity	38,704	34,736	34,815	35,111	34,517
Non Current Assets					
Net Fixed Assets	19,461	19,199	21,646	21,332	21,377
Other Long Term Assets	4,479	3,817	2,463	3,930	5,059
Current Assets					
Inventory	6,538	5,037	5,574	6,164	4,323
Accounts Receivable	2,063	2,752	1,768	1,669	1,558
Loans and Advances and Other Current Assets	2,813	1,887	1,700	1,628	1,678
Cash and Cash Equivalents (Including bank balances)	804	602	290	389	522
Total Application of Funds	38,704	34,736	34,815	35,111	34,517

Thank You

Investor Relations Contact:

Sana Kapoor
Go India Advisors
sana@GoIndiaAdvisors.com
M:+91 81465 50469

Sheetal Khanduja
Go India Advisors
sheetal@GoIndiaAdvisors.com
M:+91 97693 64166

Company Contact:

Sanjay Bothra
sanjay.bothra@hiragroup.com
Godawari Power and Ispat Ltd.
M: +91 98939 00152

YC Rao
Yarra.rao@hiragroup.com
Godawari Power and Ispat Ltd.
M:+91 9630038861

