



Press Release

January 20, 2018

**Godawari Power & Ispat Limited (“GPIL” or the “Company”) reports consolidated financial results for the quarter ended December 31, 2017**

**Key highlights of the quarter**

**Standalone Operations:**

- Iron Ore Mining: An increase by 1.12 Lakh MT (35% up on QOQ)
- Pellets Production: An increase by 25,000 MT (6% up on QOQ), highest ever monthly and quarterly production
- Revenue from Operations: Rs. 574 Crores, an increase by 26% QOQ and 47% YOY
- Operating EBIDTA: Rs. 125 Crores, an increase by 48% QOQ and 165% YOY
- PAT: Rs. 64 Crores, an increase by 184% QOQ and 572% YOY

**Consolidated Performance:**

- Revenue from Operations: Rs. 672 Cr, an increase by 21% QOQ and 44% YOY
- Operating EBIDTA: Rs. 169 Crores, an increase by 40% QOQ and 77% YOY
- PAT: Rs. 74 Crores, an increase by 157% QOQ and 868% YOY

**Operational Performance**

**Details of Production**

Product	UOM	For the Quarter ended			Change (%)	
		Q3FY18	Q2FY18	Q3FY17	Q on Q	Y on Y
Iron Ore Mining	MTs	4,32,660	3,20,802	3,31,027	35%	31%
Iron Ore Pellet - GPIL	MTs	4,62,900	4,37,200	3,52,150	6%	31%
Iron Ore Pellet - ASL	MTs	1,45,282	1,42,383	1,48,545	2%	-2%
Sponge Iron	MTs	1,04,386	1,17,683	1,03,791	-11%	1%
Steel Billets	MTs	44,872	52,590	29,598	-15%	52%
Wire Rods	MTs	39,002	32,674	8,108	19%	381%
HB Wire	MTs	31,947	31,208	18,126	2%	76%
Ferro Alloys	MTs	3,424	3,465	3,132	-1%	9%
Power Generation	Units (Cr.)	11.74	12.42	9.11	-5%	29%
Sola Power Generation	Units (Cr.)	2.37	2.33	2.32	1.7%	2.15%

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

Product	UOM	For the Quarter ended					
		Q3FY18		Q2FY18		Q3FY17	
		Qty	Realisation	Qty	Realisation	Qty	Realisation
Iron Ore Pellet	MTs	3,38,755	5,306	2,96,562	5,107	2,21,405	4,520
Sponge Iron	MTs	62,263	16,435	57,234	15,394	81,579	12,925
Steel Billets	MTs	16,521	26,791	22,238	26,074	21,959	21,334
Wire Rods	MTs	16,939	31,070	7,792	30,995	5,502	25,812
HB Wire	MTs	34,635	33,065	29,191	32,738	20,640	27,819
Ferro Alloys	MTs	2,835	63,913	2,787	64,017	2,697	56,574

The Iron ore mining during the quarter was 4,32,660 tonnes as against the output of 3,20,802 tonnes in immediately preceding quarter. The total mining output during first 9 months is 11,27,863 tonnes is 46% higher as compared to 7,71,999 tonnes during the same period in immediately preceding year. The production in iron ore pellets increased by approx 6% on QoQ basis leading to capacity utilisation factor of 103%. The total production in the pellets division also saw a jump of 29% on YoY basis. The incremental output in the captive mines coupled with optimum utilisation in the pellets division and better demand scenario in the domestic markets led to significant improvement in the performance of the Company. incremental sales of 26% on QoQ basis and 38% on YoY basis.

#### **Standalone Financial Performance:**

The company earned a total sales revenue of ₹ 574 crore for the quarter which is 26% higher on QoQ basis. The total revenue earned during the April-Dec 2017 is ₹ 1562 crore which is 27% higher than revenue earned in same period last year. The EBIDTA margin also expanded to 21.74% for the quarter which is 3.3 bps higher than Q2FY18 & 9.65 bps more than Q3FY17. The profit after tax increased by 205% to ₹ 94 crore up to 9MFY18.

#### **Subsidiaries Performance**

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

During the quarter, the Company generated 2.37 crore units of Power & sold 2.12 crore units to NTPC Vidyut Vyapar Nigam (NVVN) at existing tariff of ₹ 12.20 per unit thereby getting a revenue of ₹ 25.91 crore as against the revenue of ₹ 25.24 crore in last year. The EBIDTA & PAT stood at ₹ 21.75 crore and ₹ 0.02 crore respectively.

The net revenue, EBIDTA & PAT stood at ₹ 78.33 crore, ₹ 67.95 crore & ₹ 0.67 crore during the 9MFY18 as against ₹ 85.84 crore, ₹ 78.89 crore & ₹ 08.26 crore during 9MFY17.

The total debt at the end of quarter is ₹ 481.64 crore (long term debt of ₹ 475.14 crore and short term debt of ₹ 6.50 crore).

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

During the quarter, the Company produced 145282 tonnes of iron ore pellets & sold 122862.37 tonnes of pellets in the market. Owing to robust demand from global markets, the average realisation per ton increased by 21% on QoQ basis to ₹ 5862 in Q3FY18 and 33% on YoY basis. The Company earned revenue of ₹ 72.46 crore, EBIDTA of ₹ 23.10 crore and PAT of ₹ 10.17 crore during the quarter.

The net revenue, EBIDTA & PAT stood at ₹ 202.75 crore, ₹ 43.64 crore & ₹ 14.76 crore during the 9MFY18 as against ₹ 53.17 crore, ₹ 10.22 crore & ₹ -8.41 crore during 9MFY17.

The total debt at the end of quarter is ₹ 162.66 crore (long term debt of ₹ 148.66 crore and short term debt of ₹ 14 crore).

#### **Consolidated Financial Performance:**

The consolidated sales revenue of ₹ 672 crore for the quarter which is 21% higher on QoQ basis. The total revenue earned during the April-Dec 2017 is ₹ 1845 crore which is 35% higher than revenue earned in same period last year. The EBIDTA margin also expanded to 25.18% for the quarter which is 3.51 bps higher than Q2FY18 & 4.66 bps more than Q3FY17. The profit after tax increased by 219 % to ₹ 108.50 crore up to 9MFY18.

#### **Outlook**

The global steel market has been buoyant for couple of quarters & the prices have been on the increasing trend along with the demand scenario which is a positive sign of the revival of growth in the sector. Further, closure of production facilities by Chinese manufacturers owing to environmental concerns have fuelled the demand in the export markets. This is also positive for the domestic demand supply mis-match and lead to swift movement of end products northwards.

We expect the pricing to hold at the current levels in near to medium term owing to 2 key reasons:

- With the Chinese manufacturers closing the operations & depending on the imports, the local demand supply mis-match would continue in medium term as no new capacities are expected in the period.
- Further, owing to closure of iron ore mines in Orissa, we envisage the ensuing shortage of the iron ore in the domestic markets which is expected to increase the prices of its nearest substitute i.e. pellets
- With the Govt's thrust on infrastructure viz. roads, housing, the demand for steel is expected to improve further.

**Disclaimer: -**

Statements in this press release describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

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