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HIRA
GODAWARI POWER & ISPAT

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REF: GPIL/NSE&BSE/2026/6431

Date: 13.08.2026

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001.
Scrip Code: BSE: 532734

To,
National Stock Exchange of India Limited
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai-400051.
Scrip Code: GPIL

Dear Sir/Madam,

Sub: Submission of Transcript of Conference Call held on 10th August, 2026 regarding Q1FY27 Results.

This has reference to conference call held on 10th August, 2026 to discuss the results and performance of Q1FY27 for Analyst/Institutional Investors/Fund House/Investors etc.

Please find attached herewith the Transcript of Conference Call held on 10th August, 2026

The aforesaid information is also being hosted on the website of the company viz., www.godawaripowerispat.com at Investors Information > Shareholders > Notices.

Thanking you,

Yours faithfully,

For **Godawari Power And Ispat Limited**

Y.C. Rao
Company Secretary

Godawari Power & Ispat Ltd. GPIL Raipur (C.G.)

YARRA CHANDRA RAO
Digitally signed by YARRA CHANDRA RAO
Date: 2026.08.13 12:43:29 +05'30'

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"Godawari Power & Ispat Limited

Q1 FY '27 Earnings Conference Call"

August 10, 2026

MANAGEMENT: **MR. ABHISHEK AGRAWAL – EXECUTIVE DIRECTOR – GODAWARI POWER & ISPAT LIMITED**
MR. SANJAY BOTHRA – CHIEF FINANCIAL OFFICER – GODAWARI POWER & ISPAT LIMITED
MR. DINESH GANDHI – EXECUTIVE DIRECTOR – GODAWARI POWER & ISPAT LIMITED

MODERATOR: **MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Godawari Power & Ispat Limited Q1 FY '27 Earnings Conference Call, hosted by Monarch Networth Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this call is being recorded. I now hand the conference over to Mr. Sahil Sanghvi from Monarch Networth Capital. Thank you and over to you, sir.

Sahil Sanghvi: Yes, thank you, Shruti. Good afternoon, everyone. It is a pleasure to welcome you on behalf of Godawari Power & Ispat Limited. Please note that today's discussion may include certain forward-looking statements and therefore must be viewed in conjunction with the risk that the company faces. Today we are joined by Mr. Abhishek Agrawal, Executive Director, Mr. Dinesh Gandhi, Executive Director, and Mr. Sanjay Bothra, Chief Financial Officer. And may I now please invite the management to present on the company's business outlook and performance, after which we will have the -- we will open the floor for Q&A. Thank you and over to the management, please.

Dinesh Gandhi: Okay, thank you, Sahil. Good afternoon, everyone. Thank you for joining us on today's call. Our financial results and earnings presentation have been uploaded to the stock exchanges and our website. I trust you have had an opportunity to review them. I will briefly walk you through the key highlights of the results and progress on various projects, following which we will open the floor for Q&A.

GPIL has made a steady start to FY '27, delivering resilient performance in Q1 FY '27, supported by healthy revenue growth, improved sales realization, stronger realization across key product segments. Sequentially, profitability was impacted by higher input cost, driven by increased iron ore sourcing from the market and elevated coal prices, following West Asia crisis. These pressures are expected to ease upon commissioning of beneficiation plant, enabling higher captive mining, improved raw material availability, and enhanced cost efficiencies.

Coming to the operational performance, our iron ore mining volume declined primarily due to space constraints for dumping of overburden, in view of delay in obtaining tree-cutting permission in the additional allotted land. This resulted in higher market procurement of iron ore for pellet production, leading to elevated input cost. Despite this, production grew YoY across product categories, except iron ore mining and galvanized product. On QoQ basis, production remained subdued across most segments, with sponge iron and wire, ferroalloys being key exceptions.

We remain on track to deliver our FY '27 guidance, with Q1 volume achieving between 16% to 29% of full year guidance. Our value-added product also recorded healthy YoY growth in Q1, led by sponge iron, billet, and rolled production. This further supported by improved realization of most of the product, both on YoY and quarter-on-quarter basis, contributing to healthy revenue growth during the quarter.

Talking about the consolidated financial performance, Q1 FY '27 revenue recorded both YoY and sequential growth, supported by healthy sales volume and improved realization. EBITDA and PAT remained broadly stable YoY, although profitability softened sequentially due to elevated input cost, primarily on account of higher procurement of iron ore from market and coal prices. EBITDA and PAT margin stood at 19.1% and 12.7%, respectively. Except margin improvement, we expect margin improvement from Q4 FY '27, following commissioning of beneficiation plant, enabling greater utilization captive iron ore pellets.

Now coming on our key growth projects, the Ari Dongri iron ore mine expansion is progressing as planned, with ramp-up expected from Q3, following commissioning of beneficiation plant, and full scale operation targeted from FY '28. The beneficiation plant will strengthen the captive iron ore security and improve ore quality for pellet production. capex of INR218 crores incurred in the beneficiation plant till June '26.

The 4.7 million ton expanded pellet capacity operated at 77% utilization in Q1 and is expected to ramp up to around 80%-85% in FY '27 as the operations scale up. As regards our integrated steel plant and CRM projects, the company has decided to keep the proposed 1 million ton integrated steel project in abeyance due to on-ground challenges and delays in approval, especially the approval for water allocation, which resulting in delay in final EC and consequently the consent to set up the pellet plant, consent to set up the integrated steel plant.

Consequently, in order to leverage the benefit of state incentives and subsidies, synergies from proximity of base plant, the 0.7 million ton CRM complex is proposed to be relocated to Maharashtra, near Sambhaji Nagar. The land identification land for the proposed CRM project has been completed and application for allotment of land has been submitted to Government of Maharashtra.

We expect the land allotment approval by end of August '26. The project construction activities are expected to start from October 2026. The project is now targeted to be, commissioned by December '27, with planned capex of INR1,100 crores to be funded through INR550 crores of debt and balance through internal accruals.

The 20 gigawatt base project is progressing well and is scheduled for commissioning in Q1 '28. Soil testing has been completed, construction of the compound wall is underway. Key supply agreements for major equipments and raw material have been finalized, including long-term cell procurement, keeping the project execution on track.

The project is also supported by, incentives from the Government of Maharashtra. We have already incurred a capex of INR501 crores till date in the project. As regards the expansion of solar projects, capacity from 165 megawatt to 290 megawatt, the iron ore mines and additional 2 million ton pellet plant for captive use, the 25 megawatt solar plant has been commissioned in May 2026, and 100 megawatt project is under construction, targeted for commissioning by September '26.

The proposed 150 megawatt solar project has been kept in abeyance due to relocation of CRM project to Maharashtra, in which the solar power was proposed to be consumed, and also the delay in land allotment for the solar project. The 45 megawatt-based project for storage of captive solar power plant under implementation and targeted for commissioning by Q3 '27 -- targeted for commissioning by Q3 '26, not '27, sorry.

Upon completion of planned projects, the captive solar power capacity will reach to 290 megawatt and solar storage capacity will reach to 45 megawatt. The CRISIL has reaffirmed the credit rating of the company at AA- Stable for long-term facilities. I'm also pleased to mention that GPIL has been recognized among India's 500 Most Valuable Companies in 2025 Burgundy Private Hurun India 500 list, reflecting growing scale, strong business fundamental and sustained value creation.

On ESG front, the company has completed initiative under energy efficiency and de-carbonization program. The 6.9 megawatt WRHB plant has been -- has commenced commercial production, taking total WRHB capacity to 49 megawatt. GPIL is also advancing its de-carbonization efforts through 5 TPD carbon capture utilization project in collaboration with IIT Mumbai, for which civil work is underway and completion targeted by end of FY27.

The company has demonstrated a strong focus on reducing carbon intensity, with CO2 emission per ton of steel stayed under two internationally recognized framework: Carbon Border Adjustment Mechanism CBAM calculation independently assessed by SGS, and World Steel Association ISO 14064 standard. Under CBAM technology based on the total carbon basis, emission intensity stood at 3.180 CO2 ton in Q1 FY27, improving 1.9% quarter-on-quarter and 4.2% Y-o-Y from 3.244 ton fixed carbon.

Under the World Steel Association methodology based on fixed carbon basis, emission intensity stood at 2.485 ton CO2 per ton of steel production in Q1 FY27, remaining broadly stable quarter-on-quarter and Y-o-Y against target of 2.4920 fixed by Government of India. Overall, Q1 FY27 reflect improved carbon efficiency under CBAM framework, while WSA-based emission remained stable.

As a part of its EV-led transition towards greener operations, GPIL has added five new dumpers during the quarter, taking fleet to 15 EV dumpers, 24 EV loaders, and 15 EV excavators. The adoption electricity transportation has reduced operating cost by nearly 75%, CO2 emission by around 88% as compared to the conventional diesel vehicle.

Now coming on the market outlook. India's iron ore production is expected to rise to 8% to 340 metric tons to 345 metric ton during -- million tons during FY27, with most incremental supply coming from captive mines, while pellet production stood at provisionally 120 million ton in FY26, up from 109 million metric tons in FY25, led by Odisha and Maharashtra.

The demand remains supportive, driven by rising steel production, higher pellet usage, with shift towards higher grade DR grade pellets. However, industry utilization remain constrained at 65% due to reduced exports, limited high-grade availability, and margin pressure.

Globally, iron ore prices remain resilient, close to about $95 tons to $105 tons, supported by healthy mill margin and inventory restocking, despite peaking Chinese steel consumption. While additional low-cost supply from Simandou project presents downside risk, principally iron ore prices broadly remain stable closer to about INR5,500 range, ex-mine, while pellet prices are in the range of INR9,000 to INR11,000 per ton, with current levels at around INR10,000 a ton. Meanwhile, India's steel demand outlook remain strong, supported by infrastructure, housing, railway, and manufacturing investments.

In conclusion, I would like to mention that backed by strong captive mining assets, strong balance sheet, ongoing capacity expansion, and focus on ESG and cost optimization, GPIL remains well-positioned to drive sustainable long-term value creation. With clear roadmap and strong execution focus, company remains confident of achieving its Vision 2030 targets of 4x increase in revenue, 3x growth in EBITDA and PAT. We remain committed to delivering on our growth ambitions and creating value for all stakeholders. With this, I would like to conclude my opening remarks and open the floor for Q&A. Thank you and over to you, moderator.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Manav Gogia from YES Securities Limited. Please proceed.

Manav Gogia: Yes, hi. A very good afternoon and thank you for the opportunity. So, my first question in terms of around the steel plant that now is getting delayed again. So, just wanted to get your sense of if, you could help me in understanding are there any specific milestones or conditions that need to be satisfied before the board revives this project? And also now going ahead, should we continue to build this steel plant into the company's medium-term expectations, or should now be view it as an optional growth project rather than a committed capex plan?

Abhishek Agrawal: Good morning. So, on the first question, the milestone which we expect was the water allocation. So earlier, we were given a LOI by the state government for the water allocation, but once we got back to them for the confirmation letter, then there were challenges. And because of which, the entire water allotment of 9.4 something MCM has been delayed. It's been almost 6-8 months now. So, that is the reason the project has been kept on hold. And from an investor's angle, I think you should keep the steel plant as an option now for the medium-term growth.

Manav Gogia: Okay. So, we are keeping it as an optional?

Abhishek Agrawal: Yes, so till the time we don't -- we don't get the water approval and all, so we really don't know when that's going to happen. So, better to keep it as an option now, the steel plant.

Manav Gogia: Okay. No, no, that is quite clear. But just a follow-up on the same, because, you know, your slide on the Vision 2030, the numbers over there for revenue and EBITDA, I believe that still includes any, you know, commitments coming in from the steel plant. So, how should that Vision 2030 now...

Abhishek Agrawal: No, no, no. No, that doesn't -- no, no, that doesn't include. It's mainly on the CRM complex, which will get commissioned in Q3 of FY27, which is December '27, and the battery storage project, which is well on track. So, we revised the guidance in the earlier presentation. It was 4x and the EBITDA level, but now we've removed the steel part from that investor presentation. Yes, we have.

Manav Gogia: Okay. No, that is quite helpful. So, second question comes on just pertaining to these challenges that we are seeing out for the steel plant. This doesn't have any impact on the rest of the projects like the BESS or the CRM mill, because now the CRM is shifting towards Maharashtra?

Abhishek Agrawal: See, because CRM was coming on the same land as the steel plant, and we're not getting the desired approval for the water allotment, so that is the reason we have decided to take this step and move CRM complex to Maharashtra. Maharashtra, again, we have opted for AURIC industrial belt, where it's a plug-and-play model, just like the battery storage.

Land allotment will happen by end of this month, and as Mr. Gandhi said, we should commence the activities on ground by October. So, CRM, there is a delay of almost six months, but CRM will be on track. And please consider steel plant as on hold as of now, for medium term.

Manav Gogia: Okay. Understood. So, just a follow-up on the CRM. We are now moving closer to our BESS facility, right?

Abhishek Agrawal: Yes.

Manav Gogia: So, what benefits will take place either for the CRM complex or for BESS in terms of costs? I mean, from moving the product from Chhattisgarh to Maharashtra, or, you know, just now moving the plant directly over there?

Abhishek Agrawal: See, on the battery storage side, it was always planned in Maharashtra only. So, there are no changes in the battery storage project from day one. On the CRM side, the additional advantage what we envisage is, you know, the local consumption of the value-added steel which we're going to be producing.

So, Maharashtra being an automobile hub, right? And a lot of our products will be consumed in automobile. So, we expect a -- you know, a demand growth local in Maharashtra, which will add to the benefit of CRM. For raw material, there is a lot of suppliers like JSW is there in Dolvi, then there is ArcelorMittal in Gujarat.

So, we don't see a challenge in procurement of HR coils. On the consumption side, Maharashtra is a big state for the consumption, and that is why the industrial policy of Maharashtra government is giving us those benefits in terms of, you know, SGST and other things. So, we feel shifting CRM is actually a boon to us by shifting to Maharashtra rather than Chhattisgarh.

Manav Gogia: Understood. Understood. Sure. So, my next question, you know, comes on the Ari Dongri mining side. So, we faced some challenges this particular quarter, you know, in terms of the production from the mining. So, is it expected to continue for Q2 as well, and Q3, or...

Abhishek Agrawal: No, no, no. So, so, I'll tell you. So, the mines had basically two lands. One was the private land, where we have already started dumping, all the formalities are over, and we have started using the land for dumping. On the government land, last-stage approvals are pending, basis which we will be allowed to enter the land and do the tree cutting and all.

So, that should happen in Q2. From Q3 onwards, we expect the mining production to ramp up, and eventually achieve full capacity from Q4 or early Q1 next financial year. So, Q2, you can expect the same numbers in terms of mining production.

Manav Gogia: Understood. So, we'll continue to have a higher procurement from the merchant miners for...

Abhishek Agrawal: No, see, in Q2, there will -- so Q2, if you realize, we have already informed the investors last month only, we have shut down one of our new -- the new 2 million plant because of iron availability from the market, as well as the gas pricing. So, Q2 will be dull in terms of pellet production and mining numbers. Q3 onwards, we expect to run the pellet capacity at full production, and mining ramp-up will happen from Q4 and eventually full capacity from Q1 of FY28.

Manav Gogia: Understood. Understood. That is quite helpful. So, just one follow-up more. Now the beneficiation plant is coming in from Q3, right? And can you just help me in understanding, you know, how should we look at the quarterly trajectory of the captive ore availability? Because you're saying Q4 is where we'll ramp up to full mining production activity, right?

And post the pellet -- sorry, post the beneficiation plant coming in and the iron ore mine production ramping up, what sort of -- are we going to completely eliminate the merchant iron ore procurement? That would be the right way to look at it?

Abhishek Agrawal: See, so Q3, you can say we'll still -- so we'll be running at pellet plant at full capacity. The purchase of market will be still about 25%-30%. And from Q4 gradually, it should come down below 10%, and finally in FY28, it should be 100% captive. That is the target.

Manav Gogia: Okay. Understood. That is helpful. Sure, sure. I have more. I'll join back the queue for now. Sure. Thank you so much.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. Participants who wish to ask a question may please press star and one at this time. The next question is from the line of Aman Kothari from Aequitas Investment. Please proceed.

Aman Kothari: Yes, hi. Thanks for the opportunity. So, the first question was just a follow-up on the previous one. That the 3.4 million guidance that you've given for iron ore, that is after including for beneficiation?

Abhishek Agrawal: See, so basically beneficiation is more on the input side. The 3.4 million guidance given for the full year for the mining production, which is basically a usable ore for pellet plant, that is still on track. That is very much on track. We're not revising our mining guidance for the full year. 3.4 million we have given for this year and it is very much on track.

Aman Kothari: And the rest would be the market purchase, additional 1.2, 1.3 million?

Abhishek Agrawal: Yes. No, so in that case, see what will happen is our pellet production will be on the lower side, we expect. So, accordingly, our market purchase for the full year will be on the lower side, because we have already shut our another pellet plant last month, and I think it will continue to remain shut in this quarter. So, accordingly, the purchase from market in terms of volume will be slightly on the lower side.

Aman Kothari: Got it. And sir, the reason for shutting down the pellet production, obviously first was the iron ore, but how big is the gas supply issue for us? Is it expected to normalize post Q2?

Abhishek Agrawal: See, no, so to be -- see, I think there was a little misunderstanding. So, we are able to procure the 100% gas from the supplier. But the issue is, as per the new guidelines of PNGRB, so the value -- the purchase value of the gas has gone up drastically. It's almost up by 40%-45%. So, purchasing iron ore from the market and also getting gas at higher price, that makes pellet plant operation commercially unviable.

And that -- that was what we have stated in our statement last month, that commercially, in the current market scenario where steel is down, and pellet prices touched all-time low of about INR8,700 in starting of July, so it makes pellet plant commercially unviable to purchase from the market and use expensive gas.

Aman Kothari: Fair, fair, fair. Makes sense. So, the second question is on the iron ore pricing. So, this year we've seen iron ore come down to around USD94. We further expect that the Simandou project should ramp up by the end of this year and further double down the next year. So, how do you see the iron ore market pricing for the next one, two years?

Abhishek Agrawal: I feel iron ore will keep hovering between USD90 to USD100, because the Simandou project will take some time to ramp up. Plus, the demand in India is definitely growing for iron ore. If you see, a lot of port-based plants have started importing iron ore. So, I feel iron ore should remain in the levels of between USD90 to USD100, depending on the, you know, market to market, Yes. We don't feel iron ore going down below USD90 soon.

Aman Kothari: Okay. Got it. And with the beneficiation we'll have, we will able -- we'll be able to command a much better price in terms of quality?

Abhishek Agrawal: See, beneficiation will mainly help us in reducing the mining cost, because right now I'm beneficiating the entire ore in factory complex by paying a transportation of INR1,000. So, by beneficiating in the mines, my mining cost will go down of usable concentrate, which will feed to the pellet plant. So, the idea is to reduce the mining cost and improve on the profitability. That is why putting up a beneficiation plant in the mines now.

Aman Kothari: Got it. Perfect. And just last question before I'll join back on the queue. So, do we do any sensitivity for iron ore pricing? Let's say if there's a 5%-10% fall in iron ore prices, what could be the impact on our revenue or profitability for that matter?

Abhishek Agrawal: See, if you ask me, right, a INR100 down in iron ore pellet will lose INR40 crores in a year, based on 4 million production of iron ore pellet. It's very simple. Iron ore cost still doesn't impact so much in terms of pellet prices. Pellet prices are mainly driven on, you know, the steel sentiment.

For example, today if you see, the steel sentiments are slightly down, so that's why the pellet prices were below INR9,000. But last couple of weeks, the market has revived almost by 10% in the domestic, so pellet prices are back to INR10,000 levels in the domestic. So, I would say pellet plays more important role in our cost economics rather than the iron ore fines prices.

Aman Kothari: Okay. And pellet prices, as you mentioned, are entirely driven by your steel economics and steel demand?

Abhishek Agrawal: Yes, yes, definitely, definitely, definitely.

Aman Kothari: Okay. Thank you, sir. I'll just join back again in the queue.

Dinesh Gandhi: Thank you.

Moderator: Thank you. Before we take the next question, we would like to remind participants that you may press star and one to ask a question. To ask a question, please press star and one now. The next question is from the line of Yogansh from Mittal Analytics. Please proceed.

Yogansh: Hi, thanks for the opportunity. Am I audible?

Abhishek Agrawal: Yes.

Yogansh: Yes, thank you Abhishek-ji for real elaborate answers. Just one question on the three things that we are doing. So, the pellet plant is already up and running, right? Like you said, you're not operating it, but it's up and running. And then we'll be having a beneficiation coming up and the mines will scale up. So, once all these three of our major actions come into force, say suppose end of FY27, so FY28 onwards, what kind of benefits do you see coming into our books? If you could quantify that broadly.

Like you touched upon that we'll save INR1,000 per ton in transportation with beneficiation at mine. If you could just break it down in a little more granular form and just help us understand how much our EBITDA per ton can change with all these three things combined?

Abhishek Agrawal: So, to give you a very brief breakdown, you know, currently our mining costs stand about, you know, between INR3,000 to INR3,500, depending on the production. So, our target is to bring down the mining cost below INR2,700 from FY28. So, beneficiation is a part of it. Again, the EV deployment in the mines is again a part of it. So, the whole idea is to bring down the mining cost.

So, INR100 saving in the iron ore straightaway gives a, you know, EBITDA of INR45 crores - INR50 crores on a 5-6 million production of iron ore. The idea is to bring down the mining cost and that's why all these initiatives have been taken. So, that is on the first side. Pellet production we expect to be at full capacity from FY28, which is about 4.5 million tons. So, straightaway, you know, with higher volumes, that will give us a higher number of in terms of profitability. So, these two are the major reasons for iron ore mining and the pellet.

Yogansh: Right. And sir, with the more iron ore mining that we can do, will this volume help us in generating some business or we can't sell because of the ceiling that we have of 40 million something on the pellets, 47 million -- INR47 lakhs on the pellets, sorry?

Abhishek Agrawal: No, see, we are allowed to sell as a captive miner. As per new MMDR Act, we're allowed to sell 50% of our iron ore in the market at a -- at an additional royalty of 150%. But that is only possible if you are able to feed 100% to your pellet plant. So, in the longer term, we have no intention of selling iron ore in the market. We want to make 100% iron ore captive to the pellet plants.

And going forward, maybe two - three years down the line, if we feel the opportunity is there, key we're still able to, you know, have a surplus iron ore, then only we'll think of selling in the market. But at the moment, we have no plans of selling iron ore in the market. Rather we'll conserve it and keep mines running longer.

Yogansh: Fair enough. So, FY28 at least we don't have any plans to sell...

Abhishek Agrawal: No, no, no, no, no.

Yogansh: And sir, if you could just help me understand what is the conversion rate from your beneficiated iron ore to your pellet?

Abhishek Agrawal: See, conversion remains same. In terms of quantity...

Yogansh: In terms of quantity, Yes.

Abhishek Agrawal: It is about depend between INR1,500 to INR1,800 on annual basis.

Yogansh: Sorry, your voice broke, sir. I couldn't hear.

Abhishek Agrawal: It's between INR1,500 to INR1,800 on annual basis. 1,500 to 1,800.

Yogansh: Okay, okay. And sir, broadly like you said as of now we're not looking to sell iron ore, but suppose we decide to sell in future, what kind of delta would you capture? Is it safe to assume that the delta that you capture in pellet is much more versus what you capture in iron ore and hence we don't want to sell iron ore outside?

Abhishek Agrawal: See, the first thing is if you want to sell iron ore, we have to pay 150% royalty on lump and 250% royalty on fines. So, straightaway a INR1,000 of delta goes away if we if we intend to sell iron ore in the market. And the delta in pellet is almost INR4. So commercially doesn't make sense to sell iron ore in the near term. Unless pellet prices really, really crash to below INR8,000, then probably, we can think of selling iron ore in the market, but I do not see that happening very soon.

Yugansh: Got it. And one last question from my end, sir. So in FY '28, there will be very limited volume growth, right? Now the major growth will come in on our steel business once the CRM mill comes up, right? And other than that, the main driver for our EBITDA growth would be from the BESS once it comes online from Q1 FY '28 onwards.

Abhishek Agrawal: Right.

Yugansh: Perfect. Thank you so much, sir. Thank you and all the best to you and your team.

Abhishek Agrawal: Thank you.

Moderator: The next question is from the line of Sunil Jain from Nirmal Bang Securities. Please proceed.

Sunil Jain: Yes, thanks for this opportunity, sir. This was more related to iron ore mine. You said that part of the land was private and part of the land was government, and in private land the operation has started. So, first of all, in the government land, whatever the approval is pending, what nature of that approval, and will that can delay the production for a longer time?

Abhishek Agrawal: The approval which is pending is the final approval from the state government for entry to the land and tree cutting, because it's a government land, it's a revenue land, and there was a plantation done.

So, there is a process we have to follow which includes the forest department as well. So, the file is under application. We are very hopeful we should get the desired approvals by end of September, and basis that from October onwards, we will get the land to start dumping.

Sunil Jain: And thereafter the key iron ore production can take some time.

Abhishek Agrawal: See, ramp-up will happen, start happening from October onwards, but as I said, eventually the full ramp-up capacity will happen end of Q4 and early of Q1 next financial year.

Sunil Jain: Yes, but on the private land, whether we can independently start producing iron ore or no? Both have should...

Abhishek Agrawal: We can start producing iron ore at 6 million capacity from today itself. Basically, we needed additional land for dumping of overburden. So, on the private land, we have started dumping the overburden. That is why we are able to still produce the current capacity of iron ore. Once we get the government land, so the dumping capacity can improve and eventually the iron ore production will improve.

Sunil Jain: Okay. So, basically post...

Dinesh Gandhi: Let clarify. In fact, the land for dumping ground is separate from the land for mining. The mining area and dumping area is slightly different. This additional land which has been allotted is only for the dumping ground. So, in that also there are two lands, one is private and another one is the government land.

So, tree cutting for the dumping ground land is something which delayed the mining operations. I hope it is clear to you. For mining, my full land is available.

Sunil Jain: Okay. For dumping, you need area and there they are the...

Dinesh Gandhi: Yes. This land was specifically for the purpose of dumping the overburden.

Sunil Jain: Fine. And but the point is like from without that dumping, you can't increase the current iron...

Dinesh Gandhi: Volume. Yes, I do not have the space to keep the overburden in the mining area.

Sunil Jain: Yes. True. And sir, second thing related to the project we had shifted now to Maharashtra. Now whether we will have a better profitability in BESS project or even in the cold-rolled mill capacity, any possibility of higher margin because of that or still you will go with your earlier guidance?

Abhishek Agrawal: In terms of profitability, we do not see much change. The only positive side in Maharashtra is the local consumption in Maharashtra is on very higher side. So, for us, we already have a demand available, which will save us on the transportation cost on the finished product. So, that is one advantage we will get in Maharashtra.

Plus, the Maharashtra industrial policy incentive is also much better compared to Chhattisgarh. So from that angle also, incentives we will be getting yearly will add to the profitability of CRM complex. Battery storage, from day one was in Maharashtra only, and that project remains on track. Nothing changes there.

Sunil Jain: So, this incentive will be able to improve some margin or no?

Abhishek Agrawal: Yes. So the incentives will improve the margin by another 2%, 3% for sure on the CRM complex side.

Sunil Jain: Okay. So, earlier you were targeting somewhere at around 7%-8%, so it can move up to...

Abhishek Agrawal: Yes, we should, Yes, exactly. We should touch 10%-11% with incentives.

Sunil Jain: Okay. Great, sir. Thank you very much.

Abhishek Agrawal: Thank you.

Moderator: The next question is from the line of Tanuj from SKP Securities. Please proceed.

Tanuj: Yes, thank you for the opportunity. Just wanted to understand that there has been an increase in the iron ore production cost by approximate 10%. So, wanted to understand the reason, is it just with respect to the natural like the fuel?

Abhishek Agrawal: No, so the iron ore cost has gone up because of the higher purchase of iron ore from the market, no other reason.

Dinesh Gandhi: Mining cost?

Abhishek Agrawal: Mining cost, okay. The mining cost, exactly, the mining cost again has gone up, it's mainly because of lower production in the mines, and the other operating cost has gone up because only because of the lower production. Once we are able to achieve the desired capacity, the mining cost will automatically come down.

Tanuj: Okay, because in last 10 years, this is the highest mining cost…

Abhishek Agrawal: Yes. Because of the lower production on the mining side, that is the cost has gone up. Once we achieve the production, the mining cost will automatically come down. No other reason.

Tanuj: Okay. My second question is like...

Abhishek Agrawal: Plus as Mr. Gandhi mentioned, of course, there is also impact of the diesel, which we consume in the mines for the operations. So, that also has an impact on mining operations.

Tanuj: Okay, got it. My next question is I have seen a increase in the sales volume of the pellet. So, in your peer group companies also, there has been a drastic increase in pellet production and sales. So, is there any specific reason behind that?

Abhishek Agrawal: Our new pellet plant was running at full capacity in Q1. We were operating all the three plants, so that is why the additional production happened and that is why the additional pellet sales happened, because our captive consumption for pellet remains constant with our DRI capacity. So, whatever additional pellet will be produced will be sold in the market. So, that is why you see a substantial jump in Q1 for pellet sales.

Tanuj: Okay. And sir, can you give a view on your like demand, how is the demand on the pellet side?

Abhishek Agrawal: The demand was quite dull end of June, early July, the prices had touched COVID low of below INR9,000, and that was the reason we had to shut one of our plants because the operations were commercially unviable. But since the steel market has revived in last 2, 3 weeks, so pellet demand is better compared to probably, July, and the prices also shot up by almost 10%.

Tanuj: Okay, got it. Now, sir, like we are not going ahead with our integrated steel plant, so is there any plans to use the internal pellet to make sponge or something like that, how are we moving ahead like we have cancelled our ISP plan, so what's the capex pipeline, like are we thinking in terms of something around sponge or anything like...

Abhishek Agrawal: Firstly we haven't cancelled, we have kept the project on hold. Once we get the desired approvals, probably we will have a rethink, what to do. On the consumption of pellet side, we have no plans of expanding the DRI capacity, because again getting a new land, going for the EC, it's a long-drawn process, so we have no plans of increasing our DRI capacity, whatever pellets will be produced will be sold in the merchant market.

And there is actually a good demand of high-grade pellets, be it domestic market or be it international market. We started exporting, which we exported two ships in end of Q1 and early of Q2 before shutting our pellet plant. So, we will keep selling pellets in the market in the longer term.

Tanuj: Okay. And sir, I was going through your past concalls, like there has been a tendency like with respect to all of our approvals, there is a lot of delays. So, is there any specific reason or it is just the...

Abhishek Agrawal: No, I would say it's very unfortunate key there have been enormous delays at different stages when it comes to approval from the state government. But that is something which is not in our hand. And hopefully whatever pending approvals are still there we would should get it, as soon as possible. That's all I can say. It's very unfortunate, but it's really not in our hands, to be honest.

Tanuj: Okay. Got it. Thank you so much, sir. That’s it from my end.

Abhishek Agrawal: Yes.

Moderator: Thank you. The next question is from the line of Vinit Thakur from Plus91 Asset Management. Please proceed.

Vinit Thakur: Hi, sir. Thank you so much for the opportunity, sir. Most of my questions have been answered. If you could sir just help me out with your understanding of the iron ore cost, as previous participant also have asked, but by when do you expect to get the approval for the expansion, for the dumping area?

Abhishek Agrawal: As we mentioned earlier, we are very hopeful we should get the pending approvals by end of Q2 and from Q3 onwards, you can see an improvement in mining production and eventually full-rate capacity from FY28. That's what we envisage.

Vinit Thakur: And sir, what's the update on BESS?

Abhishek Agrawal: The project is very much on track. The ground work has started, everything has been placed. The machine delivery will start happening from December and we expect to roll out the first container in Q1 of FY28. So, the BESS project is very much on track.

Vinit Thakur: Okay, sir. And sir, coming to the realizations of iron ore and pellet, they had seen a good peak in Q4 and start of Q1 as well. But I think in Q2, they have been a little softer as you had mentioned as well. But do you think there are going to get -- they will have a little bit more -- little bit of lower realization going forward?

Abhishek Agrawal: No, so if you ask on a longer term, we still feel the iron ore prices will hover around between INR9,000 to INR10,000 in the longer term, INR9,000 being the lower side and INR10,000 being on the higher side. And if this year also you see last 5 months, the average pricing and our selling price also remains at around INR10,000 levels. Plus, it's a commodity and it's a cyclical business, so ups and down will keep happening depending on the market. We don't see major change in our iron ore pellets in the longer term.

Vinit Thakur: And sir, you had also mentioned regarding that you were exploring exports as an option for your pellets if domestic market...

Abhishek Agrawal: We did export two vessels in July -- in June and July, and then we had to stop exports because of shutting of our another pellet plant. So, export opportunities are always there. Depending on the domestic demand and pricing, we're always open for exports.

Vinit Thakur: What was the realization you got in June for exports?

Abhishek Agrawal: It was slightly -- I could say almost at par with the domestic market, which was about INR9,000 ex-plant. And the domestic was INR9,000 in June and July.

Vinit Thakur: Okay, got it. Thank you, sir.

Moderator: Thank you. The next question is from the line of Kartik Gada from Multipl Wealth Management. Please proceed.

Kartik Gada: Yes, thank you for the opportunity. Sorry, if this is getting repeated, I was a bit -- joining a little late. Just wanted to understand, during the quarter we sold down our stake in Jammu Pigments which we had invested in a couple of years ago. Just wanted to understand the thought process, what changed, what led to this decision?

Dinesh Gandhi: So, Jammu Pigments we have not sold much, we have sold I think about stocks worth about INR25 crores. We are still thinking on the strategy on Jammu Pigments. In fact, we had a tie-up either to increase our stake or exit or whatever you do, we have not yet fully decided on that. But the promoters' other family members like, you know, their daughter and son-in-law have also joined the business.

Earlier the statement was that they don't have any succession planning and therefore planning to exit, and then we also have lot of other things coming up in Chhattisgarh and now in Maharashtra CRM, other things and operationally that location is becoming slightly difficult for us in Jammu and Kota. So, we are in process of taking a call. We have, you know, partially sold stake to the promoters. And if they desire and if they want, then we can even offload some more quantities going forward.

Kartik Gada: Okay. So, any expected timelines or it will be as...

Dinesh Gandhi: No, no, no, no, no timelines are there on this. We are still in discussion as to how to go forward on this.

Kartik Gada: Understood. Yes, that's it from my end. Thank you so much.

Dinesh Gandhi: Yes, thank you.

Moderator: Thank you. The next question is from the line of Aman Kothari from Aequitas Investments. Please proceed.

Aman Kothari: Hi, sir. Thanks for taking me back. Sir, I think last -- last to last con-call you had spoken about Boria Tibbu, the TOFR that we were going to file in quarter 1 of this year. So, just wanted to know what's the update on that filing?

Abhishek Agrawal: So, see, Boria Tibbu expansion plans are very much on track. We have started preparing the documents. We will be putting up a beneficiation plant inside the mines as well, for which the trials are under process. And once everything is finalized, we will be filing the TOFR for Boria Tibbu. And we expect Boria Tibbu expansion to happen somewhere in probably April '30, you know, FY31. That is the plan. The current mining capacity is 0.7 million. From next year onwards, Boria Tibbu will be running at full capacity of 0.7 million, currently is running at about 0.2 million, 0.3 million. And eventually in FY31, we will be taking the mining capacity from 0.7 million to 4 million tons.

Aman Kothari: Got it. All right. Perfect. And the beneficiation plant would also be 4 million ton then?

Abhishek Agrawal: Yes, so 4 million mining, 4 million beneficiation, and since the mines are on the lower -- the grade is on the lower side, we expect the output of about close to about 1.5 million to 2 million tons usable concentrate for the pellet feed.

Aman Kothari: 1.5 million to 2 million usable, okay.

Abhishek Agrawal: Yes, yield of about 40%.

Aman Kothari: Okay, so tail loss would be much higher in this?

Abhishek Agrawal: Yes, because the grade is on the lower side. The average grade in the mines is somewhere about 45 to 50. So, of course, the tailing will be on the much higher side to maintain the output of the concentrate of 65 above.

Aman Kothari: Got it. And sir, you gave a proper update on how our BESS is progressing in terms of supplier arrangements, in terms of -- domestic EMS also being finalized. Are we having any conversations or discussions around the commercial arrangements, about any customer discussions, or how we're looking to progress around that?

Abhishek Agrawal: See, we have already tied up with domestic EMS, we already tied up with domestic PCS as per directive of Government of India, where currently 20% of your entire system has to be from, you know, Made in India. So, we've already achieved that. And in terms of commercial sales, from August onwards, we have started quoting our containers in the market, and we will be -- we will start participating in tenders for future supplies.

Aman Kothari: Got it. So, these will be the tenders where we will be, you know, participating...

Abhishek Agrawal: Exactly, it will be mainly with a back-to-back guarantee to the developer who will be participating in tenders, so we'll be doing a back-to-back guarantee if he wins the bid, so we'll be the supplier for that particular project. That is how we intend to go ahead with the sales.

Aman Kothari: Got it. And just on the ferro -- galvanized products, I think we saw a decline also in galvanized products volumes for this quarter. Any particular reason why we saw a particular decline?

Abhishek Agrawal: Usually, being a monsoon, the delivery is on the lower side, the projects get delayed. So that is why the galvanizing products you can see is on the lower side. Once the monsoon is over, you will see the volumes back in, you know, at the desired levels. Just a seasonal effect, nothing else.

Aman Kothari: Got it. And just my last question. I think you had explained it very well on last con-call, the difference between a BF and a DR pellet. So, since you mentioned that we have already started exporting and the DR pellets, the gas-based command a much higher premium. Is it something that we will look at in the near term or we'll be focusing only on the domestic market?

Abhishek Agrawal: No, we very much have plans to enter the DR market, which is mainly the Middle East. But that can only happen once we are able to feed 100% from our mines, because they need -- they are very specific quality-conscious. So, once we're able to do that, we have plans to enter into DR market as well because of the higher premiums.

Aman Kothari: So, once Ari Dongri will be running up with the beneficiation plant, we can then probably do the DR pellet?

Abhishek Agrawal: No, I would say that will happen only once we're able to feed 100% of our pellet capacity from our mines, because then we can start playing with the quality of product. So, that will happen in FY28, once we are able to achieve the 100% mining capacity.

Aman Kothari: Okay.

Abhishek Agrawal: Yes, yes, yes, very much, yes.

Aman Kothari: Got it. Thank you so much, sir, for taking up all my questions. Good luck, sir.

Abhishek Agrawal: Thank you so much.

Moderator: Thank you. The next question is from the line of Nidhi from BigMint. Please proceed.

Nidhi: Good afternoon, sir, and many thanks for the opportunity. Sir, my first question is, as your one of the pellet plants is on shutdown, should we expect any change to the company's FY''27 pellet production guidance of 4.0 million tons?

Abhishek Agrawal: Although we haven't revised, we are still evaluating but you can expect the volumes to be slightly on the lower side. Once we have a full final guidance internally, we will inform all the investors. But you can expect a slightly lower guidance for the entire year since one of our pellet plants is already shut from last almost 45 days now.

Nidhi: Okay, so should it be meet 4.0 million ton or it will be...

Abhishek Agrawal: No. I think -- no the production will be slightly on the lower side, but with exact guidance, we will come back in some time. Once we have a full clarity.

Nidhi: Okay. Sir, my second question is, how do you see the pellet market outlook for this fiscal in terms of demand, pricing and margin, particularly with rising domestic supply and subdued export demand?

Abhishek Agrawal: See, the prices did touch lowest two months back, but with the steel demand going up slightly, the prices are again gone up by 10%. But I still feel in the longer term, the prices will keep hovering between INR9,000 to INR10,000 ex-Raipur.

Nidhi: Okay, sir. Thank you very much.

Abhishek Agrawal: Thank you.

Moderator: Thank you. The next question is from the line of Rohan Mehta from StartEazy. Please proceed.

Rohan Mehta: Hi, sir. Good afternoon. Am I audible?

Abhishek Agrawal: Yes, please.

Rohan Mehta: So, couple of questions. First, our cost of materials have just gone up by 40%. As I understand, we procure the materials one quarter back, so let's say we might have procured our material in about February or March, when the West Asia wasn't as impactful. So, can you just segregate this cost for me?

Abhishek Agrawal: See, on the total raw material cost, which is mainly for us iron ore and the imported coal, so domestic coal was largely stable. So, iron ore contributes about 75% of the increase cost and 25% was the imported coal.

Just to be very specific in terms of the number, our imported coal cost was about INR10,500 for Q4 and early Q1. Now, it's almost touched INR13,000. So, straightaway 25% impact because of the West Asia crisis and 75% is mainly account of iron ore for purchasing from the market compared to our own mines material.

Rohan Mehta: So, that will be much more impactful in the quarter two, because just you said the imported coal cost has gone up much more?

Abhishek Agrawal: Yes, Q2 will continue to remain on the higher side because the prices still have not reduced compared to Q4 levels. Dollar was there, the shipping freight is still on the higher side. Then next is slightly lower because of the current crisis but still on the higher side.

Rohan Mehta: Okay. And on the natural gas side, sir, when do we expect some sort of normalcy? Is there some timeline where this force majeure will just expire and we may get it at the...

Abhishek Agrawal: No clarity to be honest. We have been in touch with our supplier GAIL, but he has no guidelines. It's every day situation how the war unfolds every day. So, as you know, things are very irrational right now, so we just hope for the best, yes.

Rohan Mehta: Absolutely. And at what pellet prices does it make sense to produce at these gas prices?

Abhishek Agrawal: See, at these it -- we are evaluating our operation for the third plant. We are also talking to the suppliers, if you are able to secure the required quantity of volume to run the pellet plant. If we do so, we will definitely come back and announce it to the investors. But at the moment, it is under shutdown and we feel August will also be a shutdown period. September, there might be a possibility where we can start the third -- operation for the third plant.

Rohan Mehta: Okay. And just the last question. So, at current capacity expansions, we won't be needing any debt, right? If the steel plant doesn't come into the picture?

Abhishek Agrawal: See, to be honest, as we clearly said, the steel plant is put on hold. We have no clarity, so if you see the steel plant requirement of funds, we were taking an almost a huge debt to fund the steel plant. Since it's on hold now, so we don't need to borrow any money for funding our current projects. We are very much -- we have sufficient free cash flows to fund the entire projects now.

Rohan Mehta: Perfect. Thank you so much, sir. That's all from my side.

Abhishek Agrawal: Thank you.

Moderator: Thank you. The next question is from the line of Swati Agrawal from Chhatisgarh Investments. Please proceed.

Swati Agrawal: Thank you for the opportunity. Sir, I just wanted to know what was the revision in the budgeted CapEx for the CRM rolling -- for the CRM project?

Abhishek Agrawal: Yes, so earlier the CapEx envisaged was about I think INR900 crores, INR950 crores, now it's about INR1,100 crores. It's mainly on account of the one-time cost we'll be incurring on account of the land in Maharashtra and other basic infrastructure. Earlier, the entire complex was coming up in Chhattisgarh with the steel plant, so lot of common infrastructure cost was getting absorbed.

Since now CRM will be independent, so it's a one-time cost we have to incur to start the plant, which is the land, then infrastructure, the transmission lines and other things. So, that is why the CapEx is up by almost about 15%, 20% compared to the previous CapEx announcement of INR950 crores.

Swati Agrawal: Okay, sir, all right. And sir on thing...

Dinesh Gandhi: So the entire INR1,100 crores is not by increase of CapEx, the working capital margin money is also included in INR1,100 crores. So, actual increase will be much lower.

Swati Agrawal: Okay. And sir, what will be the land cost estimated -- land cost for Maharashtra land?

Dinesh Gandhi: Land cost will INR50 crores – more than INR45 crores to INR50 crores.

Abhishek Agrawal: Land cost is about INR50 crores and the land parcel is about 35 acres.

Swati Agrawal: Okay. And expected commissioning date will be end of...

Abhishek Agrawal: December '27, which is Q3 of FY'28.

Swati Agrawal: Okay, sir. Thank you, that's all.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants in the conference, please limit your questions to two per participant. The next question is from the line of Nitin Shah, an investor. Please proceed.

Nitin Shah: Yes, good afternoon, sir. Sir, my question is regarding the cash utilization. We already have some healthy cash on books and we would be -- for a steady state pellet price, we would be making something more than INR1,000 crores, INR1,200 crores every year, and now that steel plant is shelved, so what are your plans with regards to utilization of the cash?

Dinesh Gandhi: We will come back let this CapEx be over, the CRM and BESS project and let's have the full clarity on integrated steel plant and then we'll come out with plan for the cash.

Nitin Shah: Okay. Thank you so much.

Moderator: Thank you. The next question is a follow-up question from the line of Manav Gogia from Yes Securities Limited. Please proceed.

Manav Gogia: Yes, so just one question I had on CapEx. How should we now take a look at FY'27 and '28, because now the steel CapEx is no longer part of it?

Dinesh Gandhi: We have given numbers in our presentation.

Abhishek Agrawal: We have given the number.

Manav Gogia: Only those numbers?

Dinesh Gandhi: FY'27, '28, how much will be the CapEx.

Manav Gogia: Okay. Got it. And in terms of pricing for Q2 -- sorry, not pricing, in terms of pellet production, should we assume the 675 kt run rate, would that be the right way to look at it?

Abhishek Agrawal: Sorry, come again, please?

Manav Gogia: So, for pellet production during Q2 of FY'27, should we assume a 650 kt to 700 kt run rate for this particular quarter in terms of pellet production?

Abhishek Agrawal: No, so if we happen to keep the plant shut for the entire quarter, the numbers will be on the lower side. So, at the moment, if you talk about, somewhere about 500 kt.

Manav Gogia: Okay, got it.

Abhishek Agrawal: Yes.

Moderator: Thank you. The next question is from the line of Vinit Thakur from Plus91 Asset Management. Please proceed.

Vinit Thakur: Yes, hi, sir. Just one this question. Since you said we will be funding all of our CapEx going forward through internal accruals, what will be our new CapEx for next three years excluding the ISP not in the medium-term growth?

Abhishek Agrawal: See, for the CRM, we have envisaged CapEx of INR1,100 crores out of which about INR80 crores have already been spent. So, about INR1,000 crores on the CRM side. On the battery storage side, we've already spent about close to INR500 crores.

The remaining CapEx of close to INR700 crores, INR800 crores will be spent in this year and next year. Plus, on the mining remaining mining CapEx, overall we envisage a CapEx of close to about INR2,000 crores for remaining FY'27 and entire FY'28.

Vinit Thakur: So, for FY'27, you're saying INR2,000 crores to INR2,100 crores and FY '28, you're saying INR2,000 crores?

Dinesh Gandhi: All the numbers are given in presentation how much will be in which year, you can refer the presentation. Shall I tell you the page number?

Vinit Thakur: No, sir, I do have it but it was for '28 but I wanted for '29, if you have any projection in '29?

Dinesh Gandhi: In '29 there is no such projection as of now.

Abhishek Agrawal: No projection as of now.

Vinit Thakur: Okay. Got it, sir. Thank you.

Moderator: Thank you. That was the last question for today. I now hand the conference over to the management for the closing comments. Over to you, sir.

Dinesh Gandhi: Yes, thank you very much for joining us on this call. We hope that we have been able to address all your questions. Should you have any more questions or require any clarification, please get in touch with our investor relations team at Go India Advisors. Thank you very much. With this we conclude this call.

Moderator: On behalf of Godawari Power and Ispat Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.