GODAWARI POWER & ISPAT

Regd. Office & Works: Plot No. 428/2, Phase I, Industrial Area, Siltara, Raipur – 493111, Chhattisgarh
Corporate Office: Hira Arcade, Near Bus Stand, Pandri, Raipur - 492004, Chhattisgarh
Web Site: www.godawaripowerispat.com, Email Id: yarra.rao@hiragroup.com
CIN: L27106CT1999PLC013756

REF: GPIL/NSE&BSE/2025/5959 Date: 08.08.2025

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 Sirs,

Sub: Submission of Transcript of Conference Call held on 06th August, 2025 regarding Q1FY26 Results.

This has reference to conference call held on 6th August, 2025 to discuss the results and performance of Q1FY26 for Analyst/Institutional Investors/Fund House/Investors etc.

Please find attached herewith the Transcript of Conference Call held on 6th August, 2025.

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

Thanking you,

Yours faithfully,

For **Godawari Power And Ispat Limited**

Yarra Chandra Rao

Digitally signed by Yarra Chandra Rao
DN: c=IN, o=Personal, postalCode=492007, l=Raipur, st=Chhattisgarh, street=B-31 dalda shvani ward no0 26, Dalda Seoni, Bindravangarh Chhattisgarh India- 492007-green orchind, title=0421, 2.5.4.20=a6c7f1158068d40936c2723d8b221053bd5209f81a2823d9d19e5659cbfccecd, serialNumber=93270afca8f71b28f5b5deee1acda0c81f2f93d9196fb0645f7b6f7e9b1ddf4a87, email=YCRAO65@GMAIL.COM, cn=Yarra Chandra Rao
Date: 2025.08.08 15:51:09 +05'30'

Y.C. Rao
Company Secretary

Encl : As Above

“Godawari Power & Ispat Limited

Q1 FY '26 Conference Call”

August 06, 2025

MANAGEMENT: **MR. ABHISHEK AGRAWAL – WHOLE-TIME DIRECTOR – GODAWARI POWER AND ISPAT LIMITED**
MR. DINESH GANDHI – WHOLE-TIME DIRECTOR – GODAWARI POWER AND ISPAT LIMITED
MR. SANJAY BOTHRA – CHIEF FINANCIAL OFFICER – GODAWARI POWER AND ISPAT LIMITED

MODERATOR: **MR. AMIT LAHOTI – EMKAY GLOBAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Godawari Power & Ispat Limited Q1 FY '26 Conference Call hosted by Emkay Global Financial Services. 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 star and then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Lahoti. Thank you, and over to you, sir.

Amit Lahoti: Thanks, Nidhi. Good afternoon, everyone. Welcome to Q1 FY '26 Earnings Call of Godawari Power. We have with us today Mr. Abhishek Agrawal, Mr. Dinesh Gandhi and Mr. Sanjay Bothra. I thank the management for giving us the opportunity to host this call. I shall now hand over to the management for opening remarks. Over to you, Mr. Gandhi.

Dinesh Gandhi: Thank you very much, Amit. Good day, ladies and gentlemen. I welcome you all to the conference call to discuss Q1 FY '26 earnings result of Godawari Power & Ispat Limited. Our financial results, press release and earnings presentation are available on our website as well as on the -- uploaded on Stock Exchanges. I believe you had a chance to review the same.

I'll quickly take you through the results, after which we'll have question-and-answer session. We have had a steady start to the year with a strong EBITDA and PAT margin of 24% and 15%, respectively. Our operational performance, GPIL has already achieved on an average 20% to 25% of FY '26 volume guidance. We are confident that the volume guidance given by us at the beginning of the year will be achieved on full year basis. Production volume of pellet and value added products largely remained flat quarter-on-quarter.

Ferro alloys production and sales volume increased by about 15% and 13% Y-o-Y and Q-o-Q. Realization of almost all products were flat except galvanized products. And therefore, you can see the profitability and sales turnover more or less on the flat side. Coming on the financial results. On Q-o-Q basis, consolidated revenue, EBITDA and PAT remained largely stable despite fall in iron ore mining production due to delay in mining plan approval for Boria Tibu mines.

On Y-o-Y basis, performance was lower primarily due to decline in sales realization. The EBITDA and PAT margin stood at 24% and 16%, respectively. The performance of Jammu Pigments, the zinc recycling unit of GPIL, was stable during the quarter. JPL achieved consolidated revenue from operations at INR230 crores and EBITDA of INR20 crores.

I would like to now give you a few strategic updates and operational development. I'm pleased to announce that in line with our growth strategy and diversification strategy, the Board has approved total capex of INR1,600 crores for two new projects.

The first being a INR900 crore investment in setting up a 0.7 million ton cold rolling mill complex, which will enable the company to convert HRC into CRC and manufacture the other value-added products like color-coated steel, zinc-aluminum-magnesium steel, that is called ZIM, galvalume products.

These are all value-added, margin accretive product, which will get added to our portfolio. The project cost includes the preoperative expenditure, margin for working capital. The project will be funded through a debt of INR600 crores and equity of INR300 crores through the internal accrual. The estimated time line for commissioning of this project is Q1 FY '28.

That is March 20 -- sorry, March '27, not Q1 FY '28, March '27. Additionally, a 10-gigawatt battery energy storage system project is proposed at a cost of INR700 crores to manufacture battery pack and container manufacturing line. The project will be set up in Maharashtra at Bidkin near Chhatrapati Sambhaji Nagar in a 100% subsidiary called Godawari New Energy Private Limited.

The company has applied to the Government of Maharashtra for allotment of land for the said project under the Package Scheme of Incentives policy 2019, which will entitle the company for various incentives like instant GST, capital investment subsidy, power subsidy at concessional rate and subject to compliance of certain terms and conditions.

The technology for manufacture of container and pack with lithium ion cell required for the project will be imported from China. Company is in discussion with a few Chinese manufacturers for supply of technology and cell for the project. Part of raw material required for manufacturer of container will be supplied from our CRM -- proposed CRM project, which will supply the raw material required for the container, that is steel required for the container. The project will be funded by an equity investment of 40% from GPIL and balance will be raised by the debt in the SPV. The expected time line for commissioning this project is also March '27.

Further to update you on ongoing capex plan, we expect to receive all necessary approval for Ari Dongri mining capacity expansion from 2.35 million to 6 million tons by Q3 FY '26 and it start operation in Q4. Pellet expansion of 2 million tons is going on schedule and we expect to commission the same in the month of October.

The operations at Boria Tibu mines have resumed after getting the approval for updated mining plan from Indian Bureau of Mines. I would also like to mention that GPIL has received an approval from PGCIL to supply steel billets to the manufacturers of galvanized steel structure for transmission project. This is a significant milestone that reflects the superior quality of our product comparable to those of India's leading steel producer.

Previously, dependence on the high-cost market source product that is steel billets and rolled product restricted our offering in this segment. With integrated steel production now in place, GPIL can deliver comprehensive and cost-effective product portfolio, driving both volume and margin expansion.

Notably, GPIL is the only company in India producing galvanized steel structure end to end from iron ore. GPIL has also received approval of MoEF during the quarter for setting up 2 million ton greenfield integrated steel project. Coming on the market outlook, on the international front, global iron ore prices remained within a range of $95 to $105 per ton so far this year, currently, hovering at about $100.

The first half of the year was supported by weather-related production losses. Second half will see increased supply and might put some pressure on the iron ore prices. The recent geopolitical tension continues to weigh on the global demand and supply dynamics. In response, China has been providing stimulus to boost household consumption, and for the first time, resorted to direct transfer of cash to promote population growth. This augurs well for supporting demand.

On domestic front, iron ore prices NMDC have largely been remained range-bound between INR4,500 to INR5,500. Rising domestic rising steel prices and stronger demand supported by implementation of safeguard duties continues to support prices. Iron ore pellet prices have followed the same trend and has traded in a narrow band of INR8,500 to INR10,000 a ton during the quarter with current level at around INR9,500 to INR10,000 a ton. India's steel output rose 9.2% Y-o-Y in January to December -- June '25, making it stand out in a weak global environment.

Amid sluggish demand steel landscape, India stands out as a rare bright spot, driven by robust growth in infrastructure and construction, and this growth momentum is expected to continue in coming quarters.

With this, I rest my opening remarks. We can now open the floor for question and answers.

Moderator: The first question is from the line of Vikash Singh from ICICI Securities.

Vikash Singh: Sir, my first question pertains to your BESS business basically. I was surprised, in the past, we have entered into solar thermal business as well and later on exited. So what actually prompted this and what kind of the returns this business can generate us over a longer period of time?

Management: Okay. So the idea to diversify into this BESS project is, so just to give you a history, I don't know how much you know about the BESS project, so the idea is all the solar generating states in India, especially states like Maharashtra, Gujarat, Rajasthan, where the solar capacity is quite high, during the daytime, there is peak generation. And by the evening 5:00, the generation becomes zero.

So what is happening is the grid is getting very, very unstable for these states, and it's becoming a challenge at the national level as in terms of managing the grid. So if you see all the tenders which are coming on in the market now by the SECI or even the state DISCOMs of these states, all tenders are now with so much megawatt capacity of solar, for example, 100 megawatt solar and 200 megawatt hours of battery storage.

It basically means for 2 hours, 200 megawatts of solar power can be generated from the battery stored, right? And that the government or DISCOMs will use to inject in the grid during peak hour, which is from evening 6:00 to, say, 10:00, 11:00 as per their convenience and requirement.

So the way this entire field is coming up to India is in such a rapid pace because this is something which is a necessity now. All DISCOMs needs to go ahead with all these qualifications to generate solar power. In month of August only, 8 gigawatts of tender is going

to be out by SECI and state DISCOMs. So what is happening right now is the entire container, which basically is a 5-megawatt container is being imported into India from China at a 10%, 11% duty and the tenders, the people who have been winning the tenders, these people are importing and supplying and fulfilling the norms. The idea is to generate the domestic capacity.

We want to enter into this. First phase is we won't be getting into cells, which basically requires 70% of the capex of the entire industry. We will import cells, which is at 5% duty, and we will do battery packs and then fit the battery packs in new containers with all automation and delivered to the consumer. This is the whole idea. To tap this market, we definitely feel, to give you a number, today, the market rate for import is about INR3.2 crores for a 5-megawatt container.

So if you consider a minimum, even a 5% EBITDA level for our operations, which is about INR20 lakhs, INR15 lakhs per megawatt, and when you apply with the capacity we are installing, 10 gigawatts, so the ROI is very handsome. The ROI is hardly 18 to 24 months.

So we do feel new energy is the way to go ahead in India, and that is why we want to enter this project. Steel will remain the core part of Godawari, and we will expand into steel as we have been discussing on the same platform earlier as well, till the whole idea to enter the belt. You are very right, we did enter into that solar thing 10 years, 15 years back. Unfortunately, that didn't pay a lot of dividends. We do realize that.

But this is a very well thought, well explored decision we have taken, because I think it's time where Godawari does enter the next phase of growth. It's been 3 years, I always have been very constant. Finally, approvals are getting in place. We found this opportunity, we know we'll be the first movers. If you don't do it now, then probably if we think of doing it 5 years later, 4 years later, we might be late.

The whole idea is to keep the balance sheet healthy and diversify when there's opportunity given. So that's the whole idea behind this. No other rationale.

Vikash Singh: Noted, sir. Sir, in solar thermal also, we were the first mover, but fine. Sir, in terms of our steel plant capex, basically, we got the environmental clearance, I believe. So if you could just give us some insight that if the composition or the total tonnage which we are looking has been changed with respect to the capex plan? If you could give us some more insight how that is panning out?

Management: See, we have received the EC for 2 million. But as discussed earlier also, shared with all of you, we will be going with the 1 million steel plant at the moment. That's the whole plan is. We are still working on the final optics. And hopefully, we should be able to go for the approval in next Board meeting.

The idea, to be honest is, we want to announce the steel capex along with capacity is when we get the mining EC, which we hope we will get by end of October, early November. The whole idea is entire Godawari's profit now hinges on the new mining capacity. The pellet plant will also get commissioned.

So we want to make sure once we have the mining EC, then only we moved ahead with any kind of investment in the steel, because the capex will be on the higher side because it's 1 million steel. So the idea is to wait for the mining EC and then probably go ahead investing into steel further.

Vikash Singh: Noted, sir. Sir, just lastly, one small question. We have been waiting for a public hearing for our mining expansion quite some time. So what are actually delaying this...

Management: No. So just to update you, nothing is being delayed. So this week, we will get the IBM approval for the revised mining plan. It takes about 6 to 8 weeks. So this week, we'll get IBM approval plan basis which the state government now will take out a notice for public hearing.

It's a 30-day notice. So public hearing should happen in the month of September, post 15th September. So once public hearing happen in September, public meeting record will be submitted to the state pollution board and a final decision happen. So if everything goes well, we are confident post Diwali, early November, we should get the EC. So there's no delay.

Just that the process is so long, it takes time. Mining plan has been approved by the IBM -- will be approved, this revised mining plan for 6 million. So it is on track. I do understand there has been a lot of delays, but sometimes things are not in the control, the process is such.

Moderator: The next question is from the line of Vivek Ramakrishnan from DSP Mutual Funds.

Vivek Ramakrishnan: I had three questions. One, in terms of peak leverage, as you do your capex plans, you've been a debt-free company lately. So what would be the peak leverage? Two, when you set up the CRM complex, you'll be buying, I imagine, the hot-rolled coils from the market. Isn't that a very low-margin business?

Or is it linked to your integrated steel plant plans? And three, on the battery storage, which in prior questions also came, is the technology flat? Or are you going to have any technological collaboration? These are my three questions, sir.

Management: Okay. Just to answer you the first question. See, for the current capex which we've announced, it's a 40-60 ratio, and with the current balance sheet and cash reserve, the leverage will be very minimum, hardly -- below 0.5 at the moment with the current capex amount.

Once going forward, once we get the mining EC and if we go ahead with the steel project, we announce that, then probably that might change depending on the situation. So at the moment, with the current capex amount, we will be taking a small debt of, say, INR800 crores, INR700 crores. So it's very well within the 1:1 ratio. Second question was under your BESS project side. Can you come again with the question? I just missed it.

Vivek Ramakrishnan: Sorry, it was on the cold-rolled mill, whether the fact that...

Management: Yes, yes, got it. So yes, see, if you do understand, we worked back and forth in the last 3 years where we wanted to put a 2 million hot strip mill basically for producing HR coil, right? But the new model in India, which has become a standard by the bigger players, is a 5 million

single mill with a 6 million billet capacity. So with so much of HR coil coming into India plus imports also happening, right, in spite of the safeguard duty, we see the HR -- the premium which sellers were getting per HR coil earlier is not same anymore. HR coil has become more of a commodity.

So the idea is to further integrate, buy HR coil from the market, do value addition in the form of the CRM complex where we'll be doing the color-coated lines, the printing line and also the ZAM. ZAM is basically a combination of zinc, aluminum and magnesium, right? This is quite hot -- like a hot cake in China. In India, it has just started coming in. So the idea is to make value-added steel.

And in a worst case scenario, even if I'm being very conservative, with all our product portfolio, I think INR4 to INR5 a ton is what we're looking at in the longer-term basis for 0.7 million capacity. So the idea is get that into value added steel and tap that market. And the third question is regarding the BESS. So the idea is we are right now open for collaborations in terms of technology, we are open for collaboration in terms of supply and we're also open in terms of where in the first phase, we pick and choose the best suppliers, start with the first phase and as technology -- because see, this is a very technology-driven industry. Technology will keep evolving, keep changing.

So we have to move with everyone. So going forward, we are also open. If the technology changes, if there is a collaboration happening with a good reputable supplier, we can always go ahead. Nothing is fixed at the moment, but we are very much open in terms of any kind of collaboration going forward.

Moderator: The next question is from the line of Siddharth Gadekar from Equirus.

Siddharth Gadekar: Sir, first on the cold-rolling mill. Sir, can you help us understand the configuration that we are looking at? And what kind of CRC that we would be producing from this asset?

Management: See, so basically, we'll be buying the full 250 meters, we're going to be doing tickling, then the cold-rolling mill, there are two, three different products. One is the color-coated. One is the printing line. And one is the color-coated with ZAM line, which gives you a better strength and more life. So Basically the entire 0.7 million of input will be distributed into three different products of different thicknesses.

So we are targeting from a 0.15 thickness to as high as 3.5 meter thickness -- 3.5mm thickness. So this way we want to cater all different segments so that our volume is not concentrated in only one product. We want to distribute into different products. So color-coated, color-coated lines, ZAM, galvanium, then also HRPO, which is pickled and sell HR coils. So that's the whole idea.

Plus the container, the box, basically which is being made out of steel, that particular container steel will also be produced in the CRM complex. So it's indirect backward integration of one of our important suppliers. Containers raw material is HR coil only, HR coil pickle and then cold roll.

Siddharth Gadekar: Sir, now in terms of sourcing the HR coil, where are we targeting to source the HR coil from, one? And secondly, in terms of selling the cold CRC, what are the markets we are targeting?

Management: See, for sourcing, right, being the location we are sitting in right now, Raipur. So there is Bhushan -- so basically there is JSW, Jharsuguda, then there is Tata, Angul; JSPL, Angul. So we have multiple options, Tata, Jamshedpur or Kalinganagar. So in terms of sourcing, there are a lot of options. It all depends -- and NMDC is there in Chhattisgarh has started making HR coil.

So we have a lot of -- plus, of course, imports. So sourcing is not an issue. Everybody is seller of HR coils because the volumes they've created for themselves is so huge. And they haven't put up lines to convert everything, every HR to CR. So there'll always be a seller of HR coil in the market.

So that's the sourcing part. In terms of finished product, see, we are not very restricted to we want to sell in this only area. Depending on demand and supply, because we are not the only producer in this market. There are other players, established players from before on. So it all depends how you brand it in terms of quality and which market you want to target.

So once we start making it, that's it. Depending on demand and supply, we will -- so idea is to focus entire India. We're not thinking about focusing around XYZs and all of that. So that's the whole idea.

Siddharth Gadekar: And sir, the technology for the CRC mill, will this be a...

Management: So technology it's -- so the main mill is from John Cockerill, which is a Belgium-based company, then SMS, which is again a German company. So it's a mix and match. So depending on the critical side of the operations, we have gone with the best supplier. So some are European, some are domestically supplying, some thing is from China as well. So it's a mix and match, but we ensure there is no compromise in the quality so that best things are procured from the best suppliers. We've ensured that.

Siddharth Gadekar: Sir, lastly, when would we be doing the ordering for various equipment?

Management: See, now we've got the Board approval. So now we will move ahead with the fine-tuning the entire proposal. And probably, I think by end of this quarter, we should be in a position to place the orders. And post Diwali, once monsoon gets over, but the idea is to start the civil work in November for both the projects.

Siddharth Gadekar: And sir, where will we be putting up this plant? It will be the same location where the steel plant was supposed to come up?

Management: Yes. So CR complex is already the part of EC for the new, which we have received for 2 million. So it will be on the new -- it will be in the new location along with the steel complex.

Siddharth Gadekar: Sir, secondly, on the battery storage, there also we have done any ordering or will we looking to ordering...

Management: No, no, we haven't because we had to take the Board approval, so -- which we received yesterday only. Now since we have a go ahead from the Board, so now we have done our working, we have done our homework. Now we need to finalize things with the suppliers and fine-tune things. So as I said, that might take a couple of months. And the idea to eventually start the groundwork in November for that project as well, the battery project.

Siddharth Gadekar: Sir, last question on the steel plants, when are we looking to target the 1 million in steel plant and or that is some time way as of now?

Management: No, it's not away, to be honest. We are very close to finalizing our capex, last bit of remaining things. But the idea is because the steel plant capex will be on substantially higher side compared to the these two ones.

So we want to move ahead only when we get the approval of mining EC because today, Godawari's entire profit going forward, which is to be deployed depends on the mining EC because our new pellet plant will also be commissioned in a couple of months. So we are waiting for the mining EC to be received. Once that is received, we will take appropriate approval from the Board and then declare to stock exchange. That's the whole idea.

Siddharth Gadekar: And lastly, we will be targeting long steel in this or flat steel now?

Management: No, we're not looking to flat. Basically we're looking into long steel. Basically, we're looking into value-added steel, which is structured primarily that we're working on. So basically, we want to produce, if you see right now, we just got approval from PGCIL supply. So the idea is to have an entire basket of products where we can cater from transmission lines, railways, infrastructure.

We want to produce higher category beams, 600, 800, 1,000 size beams, which are primarily used for infrastructure projects. So the idea is to enter into value-added steel now and move away from commercial steel.

Moderator: The next question is from the line of Manav Gogia from YES Securities Limited.

Manav Gogia: So one question I had, we are probably also nearing the greenfield steel plant coming up and along with the INR1,600 crores of capex that you have announced. Can you give me the capex outline for the next couple of years? And how do you see the debt part going up, especially if the steel plant kicks in, do we intend to take on more debt for the greenfield steel plant?

Management: See, the idea is -- see, for this year, for FY '26, which is running, we have certain ongoing projects, which will be completed in this year as well. For the next step, which we have already announced, we need to do a capex of INR1,600 crores, out of which about INR900 crores will be taken on the books and the remaining will be invested. So we are doing about INR800 crores, INR1,000 crores of free cash every year. So you can assume whatever we generate next year, that will be utilized in the two projects which we already declared to all of you.

For the steel capex, as I've mentioned again, it will be only moving ahead after the mining approval. So if you see once the mining approval is received and the new pellet plant getting commissioned, so our free cash drastically goes up from FY '27 because of additional volumes coming in from pellet and as well as.

So if you take that into consideration for FY '27, FY '28, we should do about a free cash of minimum INR3,000 crores basis the mining approval. So if we are able to do that and assuming a steel plant capex of, say, INR4,500 crores, INR5,000 crores. So we will be much below 1:1 debt equity ratio. So the numbers are very well worked out. We have defined the time line, which capex, how the money has to be deployed. And basis that, we will be going ahead.

Manav Gogia: Sure, sir. And sir, the steel capex, do I assume that it should be peaking out more during FY '28 rather than FY '27? Is that the logic?

Management: So if you see, if you want to break it up, so probably you can say 20% in FY '27 and probably say 60% in FY '28 and then probably last 20% in FY '29 because ordering requires only 10% advance. But then as the project progresses, right, supply starts, that is where the major deployment of cash will happen. So FY '27 will be, say, 15%, 20%. Maximum will happen in FY '28 when the supply starts, yes.

Manav Gogia: Got it. So my other question is on the company's diversification policy, which we are currently into with the battery storage plant. How do we basically study these projects going ahead? And do we see more such projects on the diversification side from steel coming up in the next couple of years apart from the...

Management: No. See, to be honest, if you talk about the diversification strategy, so we are of the opinion, today, with all this Make in India concept, right? So we were -- we have been looking for different business opportunities from last 2 years, where either it's a lot of imports happening into India, so you can create a domestic capacity, which the government also wants, or you enter into new energy and renewable energy because energy is something which is here to stay, be it on the solar side, on the renewable side, and now of course, the BESS is the latest addition to that basket, I would say.

So the idea is we feel energy is going to be a cash cow for all the Indian businesses because the way India's demand is going up, accordingly, the challenge is also heating up in the market, right? For example, grid stability is happening.

A few states are running short of power. So we always wanted to focus on energy side. We found this very lucrative. We have done our homework from the last 6 months, and that is why we are going ahead with it. So we not say we want to keep diversifying.

But if there's an opportunity present going forward also, we won't mind taking that route. But has to ensure -- we will ensure, somebody also mentioned in the first call, what we have done earlier, we do understand that, and we have realized that. And accordingly, we'll make sure we are never over-leveraged, and we don't run tight on -- when the market turns around, so we're not running tight on cash. We will ensure that. That is the whole idea.

Manav Gogia: Got it, got it, sir. And sir, just an add-on with the subsidiary that we have for new energy now. Do we intend to remain only an assembler or probably evolve into a full stack energy storage company down the line 5, 6 years, if that is a focal point going forward as well?

Management: The whole idea, how we picked up this was, if you see the solar industry in India, right, 10 years back, it was hardly seen, there were hardly few players. But post COVID, there has been a, I would say, a rush when it comes to investment into solar modules capacity, right? India is adding about 30 gigawatts of renewable every year, with the target to go up to 50, 70, 100 megawatts every year, right -- 100 gigawatts.

So the way solar industry evolved into India was at a very slow pace. So initially, they put a 40% tax on solar modules. That's how a lot of people invested into making solar modules in India. Now the government has come up with ALMM for solar cells, which is a key component for solar modules. So from 1st July 2026, Indian manufacturers cannot import cells, they have to manufacture into India.

So now all companies are investing heavily into solar cells because solar cells requires a huge capex, right? Similar way we feel BESS has just picked up in India. Right now, lot of imports are happening. Slowly and slowly the way we are getting to manufacturing, others would also do.

Once capacity comes into India, government policy will come such a way that they will put duties, they will restrict imports into India and make this business more lucrative. So we are taking a cue from the solar module space. And we feel the way it's progressing right now, similar things should happen in this category as well. That's the whole idea. So the idea is to put 10 gigawatts first phase, then ramp up to few more gigawatts.

And when we feel there is support of policies, we will also enter into solar cell manufacture -- sorry, this battery cell manufacturing. And we are also open for collaboration for tech transfer. So the idea is this is a long-term idea, it's not a short-term idea, 5 years, 7 years down the line idea.

Manav Gogia: Got it, got it. Sir, just one last question, that the battery storage unit is going to be somewhere in Maharashtra whereas...

Management: Right, Aurangabad. Sambhajinagar Industrial Area, it's called AURIC. Yes.

Manav Gogia: Okay. Got it, got it. So the battery storage unit is going to be in Maharashtra whereas the CRM unit is going to be in the state of Chhattisgarh in Raipur.

Management: Right, right.

Manav Gogia: How do we look at the logistics of supplying the CRM towards container manufacturing in Maharashtra?

Management: No, no. So if you can see, distance wise Aurangabad to Raipur is hardly Approx. 700 kilometers. So by road, by rack -- rack is available, we can sell the -- we'll be selling the raw

materials, purchase raw material. Eventually -- finally, assembly of containers will happen in that Maharashtra factory only. So only the coils in different shapes we'll be sending from Raipur.

So we don't say selling them for logistics. And we only accounted that in terms of the raw material price for making containers.

Manav Gogia: Got it, got it. And what would be the captive requirement, I mean, I'm assuming you'll be making around about 2,000 units of these containers, right, if we assume a 5-megawatt capacity per container?

Management: See, we'll be doing about 6 containers every day. So you can easily consider 6 into 325 -- 320 days of working, so around about, yes. So 2,000 containers is right, what you estimated, perfectly fine. The idea is 6 containers every day to achieve a capacity of 10 gigawatts.

Moderator: The next question is from the line of Sahil Sanghvi from Monarch Networth Capital.

Sahil Sanghvi: My first question is roughly any understanding as to how much of the current demand for this vessel imported?

Management: See, right now, if you see just for information, in August month only, there are 8 gigawatts of tenders out in the market by the state DISCOMs and in EPC and other respectively. So if you say 8 gigawatt, which is 8,000 divided by 5. So roughly about 1,600 containers is required -- is up for bidding in month of August only. And this figure will keep going up every month-on-month.

If you can -- follow subscription like Renewable Watch, you'll find every day, there are 10 tenders, 3 tenders being upload in system for bidding, and everything is info. Right now, one facility of 1 gigawatt is being commissioned in Pune and 2 gigawatt has been commissioned in near Bombay, right? Other companies like, for example, Tata has done a 100-megawatt battery storage in Chhattisgarh, Rajnandgaon but they have tied up with a company called Gotion, which is again in China. So they supply the container to Tata and they have won the tender and installed 100-megawatt hour battery storage.

So now close to more than 99% is being imported into India with a certain duty. Duty on cells is 50% of that. So if you consider everything put 0, whatever you manufacture and the way you sell it, saving 5% on duty itself will give you a margin of INR15 lakh, INR20 lakh per megawatt. That is the whole idea. We are being so conservative.

So the demand is going to keep going up month-month.

Sahil Sanghvi: So you're saying roughly 80%, 90% of the demand has been imported for this product?

Management: More than 95%, more than rather 98% right now. Now India, people have finally -- somebody is in a tie-up, somebody started doing retrofit, somebody is doing pick and choose, I buy from here, I buy from there and now they're entering into investment into battery. So probably

somebody will do containers, somebody will do only battery packs but nobody is entering into cell right now. The cell is where your 80%, 70% capex is required for the entire supply chain.

Sahil Sanghvi: Right, right. And roughly, what kind of margins do you expect to make over your margins and ROCEs?

Management: So see today, the roughly value of one container being imported into India is about INR3.2 crores, INR3.25 crores, so which is about 3.25 divided by 5 comes to about INR65 lakhs per megawatt hour. So assuming we do a minimum margin of -- bare minimum margin of 5% only, right, on a INR3.25 crores, so it comes to about INR15 lakh, INR20 lakh. So when you multiply that with 10 gigawatt, which is almost 1,000 megawatts, the numbers are as good as INR350 crores, INR400 crores at 10 gigawatt capacity.

So we're looking at ROI more than 40%, 50% at investment of INR700 crores, which includes the onetime land cost, one infra cost also including our working capital. So the machine investment is only about INR250 crores of machine and shelves. Remaining is the working capital because cells have to be imported.

So working capital is going to be on the higher side, plus onetime cost of the land, which will be given to us, onetime cost of the infra fulfilling their conditions of land, power connection and all those other things. When you do a 20 gigawatt, probably say, we do another 10. So the capex will be less than 50% of what we're doing right now.

Sahil Sanghvi: Right, right. So I just wanted to -- I mean, I understand the whole story and the whole the attraction about the whole demand scenario. But then profitability-wise, we are getting into low profitable businesses. So don't you think that's something that's not the right...

Management: It is low profitable, but then the volumes can be very high. So for us, the idea is if 10 gigawatt -- 10 gigawatt, the whole idea is if everything goes well, we want to take it to 40 gigawatt. That's what the plan, we have submitted to Maharashtra government for the policy. So the idea is to scale it up. It's more of a volume game.

If you do a 5% EBITDA, by the moment you materialize the volume, you get the numbers against investment. And in steel we are very clear. We want to go ahead, but then we're not looking at a volume game. We want to do value-added steel, which requires a certain higher capex compared to probably a commercial steel, but then we want to do a volume game. So if there's opportunity, if we felt right and that's why we have diversified.

Sahil Sanghvi: Got it. Got it. And lastly, whatever tech -- you will require a tech collaboration over here, right? And that will entail some royalties or some fees over there. How do you think about that -- margins after considering those?

Management: Yes, it is. So right now, we are very much open to do pick and choose these machines from the best suppliers. In the long-term basis, when we want to further backward integrate, say we want to scale. So we have also had discussions with a few companies on tech tie-up. The structure can be in form of equity or a royalty.

It depends on the Chinese and Indian government law as well. So we are very much open. But for the 10 gigawatt, we are also okay doing pick and choose with the best suppliers. So -- but it's a long, long story. It's a very long, long story. So it's not a short-term thing we're thinking of.

Moderator: The next question is from the line of Aditya Welekar from Axis Securities.

Aditya Welekar: Again, on the battery electric storage front. So I just wanted to understand, we will be just in the EPC part of it, right? We will not be...

Management: No. No, no, no. We on the EPC part of it. Basically, we will be suppliers of the containers. So people who are bidding for tenders and they won the tenders. So people who are -- so they have been right now importing from China. So instead of importing from China, we can be one of the potential suppliers. So the container they are importing from China for 5 megawatt, Godawari Green Energy will be one of the suppliers for the 5-megawatt containers for the end use.

Aditya Welekar: Understood. So, see the context is means we have seen the capacity fees for battery electric storage coming down from INR10 lakh per megawatt per month in August '22 to currently, it is almost INR4 lakh per megawatt per month.

Management: Very correct.

Aditya Welekar: So there is a steep fall because of the fall in the lithium battery prices. So there might be some pressure on the utility generators that they want to bid. So currently also the bids are very competitive. So in that context, our margins will be secured, right, because we are just supplying parts.

Management: Exactly. We are not entering into where we want to bid tenders. Basically, at whatever price, if somebody is winning the tender at, eventually, either he will import from China or he'll buy from India or he'll make his own containers. So we'll be one of the suppliers of containers. I mean nothing to do with what price the tenders are going at. Nothing to do with that.

Aditya Welekar: Understood. Understood. And then from that perspective, is there any possibility that we have seen for solar cells that government has put that approved list of solar cells domestic...

Management: Exactly. It's called ALMM, yes.

Aditya Welekar: So there is a DCR, basically Domestic Content Requirement for cells.

Management: Exactly. Very correct. Very correct, yes.

Aditya Welekar: So is there any possibility that for battery storage also that the imports will be restricted from China and we have to manufacture the cells domestically?

Management: See, as I said earlier, we have picked up this from the solar space as well. We do -- we also have this in mind. Moment India is able to manufacture the desired capacity, where the demand is coming from the all these tenders, I'm sure government policies will be framed in

such a way that they will protect the domestic industry. The way they have done in case of solar cells -- like solar modules and then cell. So we are hoping government will take a few from this policy, and the same kind of policy will be implemented.

But of course, provided enough capacity happens -- capacity expansion happens in India in terms of manufacturing of these containers, then only government will come with such policies. So we feel we are one of the first movers. And in the long run, we will be one of the beneficiaries of such policies.

Aditya Welekar: Right. So means what I understand is that our margin will be protected irrespective of...

Management: 100%...

Aditya Welekar: And then from a unit economics perspective, means you said that solar definitely that the cells will be the major cost. So balance of plant, what will be the -- means if you can just throw some light on capex and how much will be you will require for -- in terms of working capital means how much will be battery and then how much will be the steel? So apart from the benefits...

Management: See, I get you. So cell is roughly -- so if you do a breakup of the entire container, so consider cost of $65, so out of this $65, $35 is about the cell, which will be imported. $20 is about the battery -- the BMS, which is basically the battery management system, which is like the USP of technological suppliers. And remaining $10 includes everything else, your container, steel, your fire protection and other accessories. So the breakup is $35 cell, $20 for the BMS and then remaining $10 is for your other accessories to make entire container. This is a rough breakup.

Aditya Welekar: Understood. And our ballpark margin per container or in percentage...

Management: See, worst case scenario today, price of container is at INR3.25 crores. So if you even consider a minimum margin of 5%, it gives you about INR70 lakhs, INR80 lakhs. So when you multiply that with 10 gigawatts, it comes to close to INR350 crores, INR370 crores. So with an investment of what we're doing right now, we can see an ROI of more than 40%, 50%.

Aditya Welekar: Understood. Understood. And this margin will be mostly fixed, right? If the raw material prices changes, we will be able to pass on that.

Management: Of course, of course, whatever we imported does goes up, same domestic price can also go up. If demand is much more than the supply, the selling price will also go up. So it will keep happening. It's part of the business.

Moderator: The next question is from the line of Vinit Thakur from Plus91 AMC.

Vinit Thakur: I would like to know why is there a jump in the galvanized fabrication product on a year-on-year basis. As we see last year, we did around 13,000 tons and this year, we're doing around 24,000 tons. What would be the guidance regarding this?

Management: See, as you are aware, Mr. Gandhi also mentioned, we have received the part approval to supply into PGCIL almost 3 months back, and now we have received the second part. So now R.R.Ispat galvanized product we have complete approval to supply into PGCIL, because of which the volumes will further go on.

You've seen -- you're comparing to 13,000 to 23,000. I think from this quarter and next quarter onwards, you can see thus volumes crossing 30,000 tons every quarter-on-quarter because since we have received approval, so now we are eligible to supply to all the big EPC companies like Kalpataru, KEC, Tata, Adani.

So because of that and the demand keeps going up because the way the transmission lines have been laid into country. So the volumes will keep going up, and you can also see more healthy margins coming out of the galvanized products business now after the approval we have received.

Vinit Thakur: So are we looking to increase the capacity for galvanized fabrication products because right now...

Management: To be honest, last month only we received the final approval. So once we get establish in the market, we are able to run the entire plant at full operation say for 6 months, 8 months. And then only probably we will think of investing the new capex. The idea is to first get the money back, whatever you invested in last 2, 3 years and then probably think of investing into further.

Moderator: The next question is from the line of Vedant Sarda from Nirmal Bang PMS.

Vedant Sarda: I want to know the CRM complex project, we are targeting a capacity of 0.7 million tons. So what kind of margin we can expect from that?

Management: We'll be looking at a margin of, say, INR4 to INR4.5 -- INR4 to INR5 per ton of the finished product. So we will not be shifted to one single product out of the CRM complex. We won't be -- we'll be making 3, 4 different products. So one is color coated line, one is printing line, then there is ZAM, which is basically a part of improved version of galvanized coating, thickness from 0.15 to 3.5. So we want to enter into all kind of products of value addition where the application is different.

Some is in automotive, some is in household. So depending on the application. The idea is to have the entire cluster in the basket. And depending on demand and supply, we can always change the configuration of the output like steel. The input remains 0.7 million tons, and we are targeting a EBITDA of say INR4 to INR5 a ton.

Moderator: The next question is from the line of Kunal Sukhwani from Indvest Group.

Kunal Sukhwani: My question was regarding the Boria Tibu mine. Basically, what is the current HC grade, what we are getting from that mine? And what is the beneficiation yield and what will be the cost of beneficiation?

Management: Okay. So Boria Tibu, the current mining capacity we have is 0.7 million tons. The average grade in Boria is right now about 48 to 50, which is again a part of Magnetite family. And so right now, since we don't have a plant in Boria mines, we're getting the entire ore in the plant and beneficiating. So here, the yield is about 50% to 55% because the HC is on the lower side to maintain the quality of concentrate and pellet.

And the cost is hardly INR200 to INR250. Managing cost is not very high. It's very, very, very bare minimal. And so in Boria mines, we are further increasing the capacity. We have started working on filing the revised EC to the state government.

So from 0.7 million, we'll be taking it to 3 million tons and also putting up a plant inside the mines to beneficiate so that we do not pay extra transportation costs, which we are currently doing.

So the idea is to beneficiate in the mine, make a high-grade concentrate and directly bring it for use in the steel making. But that will take about 3 years. So the idea is to club the commissioning of Boria beneficiation along with the new steel plant, which is about 3 years from now on.

Kunal Sukhwani: Yes. And sir, similar for BMQ, BMQ what would be the yield and what will be the beneficiation cost?

Management: See the cost -- the overall cost remain the same. Presently in BMQ, because the HC on the lower side, say 30%, 35%, so the yield goes down to 40%. So if you calculate the input, basically the Boria mine, you can say cost different about 20% because their yield is 50%, here the yield is 40%. So 20% yield loss will increase your operating cost by 20%. That's it. Not a major difference.

Moderator: The next question is from the line of Dibyansu Kumar from Carving Alpha Wealth Fund

Dibyansu Kumar: My question is related to the EPS, which has been dropped from -- dropped to INR3.5 from INR4.5 last year Q1. Could you explain what led to the drop in profit? Was it due to lower prices, higher cost or something else? And also what will be the estimate for the year?

Management: Dineshji?

Dinesh Gandhi: The drop in profitability, I had mentioned in my opening remarks is primarily because of the reduction in selling prices, fall in selling prices. Our volumes are more or less consistent, maybe 1 quarter here and there, but overall, the fall in profitability in Q1 is mainly because of the fall in sales realization.

Dibyansu Kumar: What's the estimate for the year?

Dinesh Gandhi: Estimate for the year is very difficult to guide in the sense that since we are giving the volume guidance, it all depends on the -- how the selling prices rule. But we believe that we are expected to enter into the busy season and prices have already started moving up. So this is

what we believe that it should be the benchmark. It should be better from here on. This is how our understanding is, but it's very difficult to predict on the pricing side.

Moderator: The next question is from the line of Ashish Soni from Family Office.

Ashish Soni: Sir, regarding this BESS, the tech transfer, are you open for like -- is it like Japanese or Chinese because we have seen...

Management: No, no, no, no. To be honest, no, no, no, I think no one beats China in terms of technology policy is best. We have visited. We have visited a lot of companies. And our tech transfer, of course, we will ensure whatever the Indian laws permit, how the tech transfer can happen, we will explore that.

But whatever is going to come at the moment for best is going to come from China. According to us, nobody can be cheaper than China in terms of this technology. We are very sure of that.

Ashish Soni: But we have seen challenges with existing player where they tied up with Chinese and they are not able to scale up. So will there be some learnings or you are hopeful that it will go through smoothly?

Management: See because what we have understood as an industry is, there is a major tech goes into the cell making, which is probably you can say the heart of the entire business, right? So right now, we will be importing cells from major suppliers for which we'll be doing some kind of tie-up. Once that is sorted, remaining battery pack and containers is more like a assembly.

It's not a very tech savvy, I would say, supply chain where things can go wrong if the tech transfer company is not performing as per the commitment. So the challenge is probably making cell for which we have to do a tech transfer or tech tie-up. But when it comes to assembly, we don't see -- it's a very technical tech savvy thing to do.

Ashish Soni: But this cell manufacturing, when do you plan to start? And how much investment per megawatt or per gigawatt require...

Management: See, to be honest, we haven't worked out because cell can only happen once the policy by the Indian government restricts import of cells into India because today, even if you want to make cells, you will never be able to make money because the prices of Chinese are way lower in terms of volumes.

For example, I saw a single location of Chinese manufacturing where they were doing 20 gigawatt of cell manufacturing only for the batteries, 20 gigawatt single location. So when you compare with that scale, it doesn't make sense at all to enter into making cells right now, better to import cells at a 5% duty and then do the remaining part. But we have the idea. We want to, provided we have to keep making money.

The way it happened in solar. So earlier, 40% duty on solar modules, then government came no duty, you can't import. It's banned now. Then people started manufacturing in India. Now they have come up with same for cells now. Today, cells are being imported from China.

But from July '26, you can't even import cells for solar modules. So now people are starting investing into solar cells. So as industry progresses, technology keeps changing, we will also evolve so that we don't get left in the race.

Ashish Soni: Is it like safe to assume like 3, 4 years or -- away from cell manufacturing approximately?

Management: 100% at least -- we don't see at least for the next 2 or 3 years, for sure, at least bare minimum 2 to 3 years, unless the Indian government really comes up with very, very, probably they come with a policy very soon, which we don't see happening because industry just started going in India. Now people are trying to understand what is BESS. So I think it's a long way to go, yes, to be honest.

Moderator: The next question is from the line of Aditya Agarwal from Fin Avenue

Aditya Agarwal: Sir, I just wanted to know about the pellet pricing that we are forecasting for next 12 to 18 months with the kind of pellet capacity that is coming on in the market, like Lloyd is also planning a major capex over there. We are increasing our capacity. So what pricing do we forecast because...

Management: Yes, I do understand. Yes, firstly, the price band for a commercial pellet of INR6,200, INR6,300 at Raipur, I feel it will be hovering, I would say, INR9,500 plus/minus 10%. So a range of say, INR8,700 INR8,800 to INR10,000. That has been the trend in the last 18 months as well. So I don't see any change.

For example, last month, the pellet prices were as low as INR8,600 INR8,700 at Raipur. And with steel price going up by 10% today, pellet is about INR9,800 INR9,900 at Raipur. So the price band remains intact, which is about, say, INR8,500 to INR10,000 in longer term. For Lloyd, they have already commissioned their pellet plant, for your information, but they haven't started targeting the Raipur market. What we understand is they're also a big supplier of iron ore pellet into the Raipur market to different pellet players.

So if they do flood the Raipur market with pellets, eventually the pellet prices will take a hit, and that might inform them to keep away from the Raipur market. So our capacity being added into the Raipur market of 2 million. But you need to understand our capacity is being added with backup of iron ore mines.

Today, if you tell me you want to put up a merchant pellet plant where you have to buy fines in the market, I will not make a single penny. Today, pellets, you cannot make money by buying fines in the market. The whole idea is to supply own iron ore from your own mines and then make money.

So I don't see a challenge in terms of pricing because of oversupply because Lloyd is still away from the Chhattisgarh market, and we will be the only addition. And there is -- right now, there is a shortage of pellets in Raipur because the DRI capacity in Raipur has gone up at least 2x. So everybody who is also into steelmaking has went into additional capacity of DRI.

So right now today, the pellets are in shortage in Raipur market. Now the people are waiting when will our plant commissioned so that the demand and supply can be -- come to same level. For me a long-term basis, INR9,000, INR10,000 ex-Raipur is very much achievable.

Aditya Agarwal: Yes, sir. Sir, and any plans on further blast furnace in our plants on the new integrated steel plant or it will be...

Management: We have received the EC. We have plans, as I said earlier. But we're still working on the fine-tuning the capex but -- it will be put up to Board eventually once we get the mining EC. We are not going ahead with the steel plant unless we receive the mining EC. That is very clear as a management.

Moderator: The next question is from the line of Bharat Pathak an Individual Investor.

Bharat Pathak: My question is like on the container side of things. So you said there's going to be some kind of technology tie-up. So this battery typically requires cooling, so is the tie-up on the side like you need to take care of the cooling aspects by designing the container or it's something else?

Management: No, it is. So depending on your container weight, your container design because the batteries can -- the cells can be in series, can be in parallel. So cooling is one of the part, fire protection is second part. The heart is, of course, the BMS, which is the entire battery management system for charge and discharge. And the last is the PCS.

So basically, which will convert your AC to DC and DC to AC. That's how you generate power in solar, right? You have to convert. So there are other components like PCS, like the cooling system, the fire system and also the BMS.

So apart from containers, these are also one of the critical components to make the entire container work apart from cells. So as I said, right now, we are okay, pick and choose model. This is company supply, which is BESS, battery storage is BESS. At the same time, we're also exploring tie-up for different things.

With regard to PCS, in India, there are 3 companies they are already to PCS. So we are already talking with them to supply PCS to us on a long-term basis. So we are working with different companies for different supplies.

Bharat Pathak: Subsequent question is like this BESS will be our long-term strategy or like how is this?

Management: It is a long-term strategy. It is a long-term strategy. We're not looking at 1 year, 2 years. We're looking at how the solar module industry has evolved in the last 10 years. So we want to keep depending on how industry evolves, we will ramp up our capacity as well.

And if required, going forward, probably we also enter into solar -- with the cell manufacturing if the policies of government tells to do that. So we are very open and it's a long-term strategy. It's not a short-term strategy.

Moderator: The next question is from the line of Manav Gogia from Yes Securities Limited.

Manav Gogia: So my first question is on the operational front. Can you give me what was the landed cost of imported coal for the particular quarter, Q1?

Management: It's about INR11,500. INR11,500.

Manav Gogia: Okay. And how is it shaping up in the next quarter? Do we see some benefits of the pricing falling down?

Management: Prices have come down by not much, I would say 5%. But if you see dollar was INR84 dollar, INR85. Now dollar is INR87, INR88. So that 5% down in the incoming prices taken by the dollar. So I would say INR11,500 for the Q2 as well as Q3 is a very practical number, INR11,000, INR11,500.

Manav Gogia: Sure, sir. And sir, how the realizations shaping up for the long products across the board? Do we see a flattish trend or a little uptick?

Management: No. So see, to be honest, last month, the demand was also very lull. So that -- and the price is also downside. But second half of July, the demand has come back. And we are able to pump funds from sponge to probably say, we are still able to do a margin of a healthy margin depending on the demand because our volumes are not big. We hardly do 0.4 million tons of steel, 0.5 million of pellets. So the volumes are quite intact as well as the price

Moderator: Ladies and gentlemen, we'll take this as the last question for today. I would now like to hand the conference over to the management for closing comments.

Dinesh Gandhi: Yes. Thank you very much for joining us on this conference call and appreciate the same. We are confident that we have adequately addressed all your queries. Should you have any further questions or need additional information, please feel free to reach out to our Investor Relations team at Go India Advisors. Once again, we sincerely thank you for all the active participation and the unwavering support of the investors. Thank you very much. With this, we end this call.

Moderator: Thank you. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.