GODAWARI
POWERING NEW HORIZONS

REF: GPIL/NSE&BSE/2026/6565 Date: 19.11.2026

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 Sirs,

Sub: Submission of Transcript of Conference Call held on 16th November, 2026 regarding Q2 FY27 Results.

This has reference to conference call held on 16th November, 2026 to discuss the Q2 FY26 results for Analyst/Institutional Investors/Fund House/Investors etc.

Please find attached herewith the Transcript of Conference Call held on 16th November, 2026.

The Transcript of Conference Call is 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**

YARRA CHANDRA RAO
Digitally signed by YARRA CHANDRA RAO
Date: 2026.11.19 17:48:34 +05'30'

Y.C. Rao
Company Secretary

Encl : As Above

"Godawari Power & Ispat Limited

Q2 & H1 FY27 Earnings Conference Call"

November 16, 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 LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Godawari Power & Ispat Limited Q2 and H1 FY27 Earnings Conference Call hosted by Monarch Networth Capital Limited. As a reminder, all participant lines will be on the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance with the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Sahil Sanghvi from Monarch Capital. Thank you, and over to you, sir.

Sahil Sanghvi: Yes, thank you, Danish. 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 risks that the company faces.

Today, we are joined by Abhishek Agrawal, Executive Director, Dinesh Gandhi, Executive Director, and Sanjay Bothra, Chief Financial Officer. May I now please invite the management to present on the company's business outlook and performance, after which we will open the floor for Q&A.

Thank you, and over to the management.

Dinesh Gandhi: Hello. Thank you, Sahil. Good afternoon, everyone. Thank you for joining us on today's call. Our financial results and earning presentations have been uploaded to our website and to the exchanges, and I trust you had an opportunity to review that.

I will now brief you through the key highlights of the results, following which we will open the call for Q&A. Before I move on the quarterly performance, I would like to highlight an important milestone in our journey.

We have unveiled our refreshed corporate identity, marking the beginning of new chapter for Godawari, built around the vision for ONE Godawari and our tagline, Powering New Horizons. The new identity reflect our ambition to bring our diverse businesses together under unified brand while building on our strong industrial legacy and positioning the group for its next phase of growth.

This transformation represents more than a change in our visual identity. It reflects the evolution of the group, our expanding business portfolio, and our aspiration for the future. It will help to strengthen the brand recognition, ensure greater consistency across our businesses, and create a more integrated experience for our stakeholders.

As we continue to explore new growth opportunities across established and emerging sectors, we remain committed to advancing the shared purpose and creating sustainable long-term value.

Turning to our consolidated financial performance, revenue increased by 25% Y-o-Y in Q2 FY27 to INR1,632 crores and up 29% Y-o-Y in H1 FY27 to INR3,382 crores, supported by healthy sales volume and improved realization.

Profitability remained under pressure both period due to elevated iron ore sourcing cost from market and higher coal prices amid the West Asia Crisis. Additionally, Q2 FY27 witnessed the quarter-on-quarter decline in profitability due to lower pellet realization.

EBITDA and PAT margin stood at 12% and 5.2% respectively, and 15.7% and 9.1% in H1 FY27. Margins are expected to recover from Q4 '27, with expected receipt of regulatory permission for use of additional land for dumping of overburden and commissioning of beneficiation plant, enabling the higher iron ore production from captive mines and use of captive iron ore for pellet production.

Turning on operational performance, production volume recorded Y-o-Y growth across most of the product categories in H1, with iron ore mining and galvanized fabricated products as an exception. The iron ore mining was impacted by space constraint for dumping of overburden, while galvanized fabricated products were affected by seasonality heavy rains.

During Q2, production continued to grow Y-o-Y across most segments. However, sequential basis iron ore pellet production declined due to temporary closure of 2 million ton pellet plant for uneconomical operations, while ferroalloy production was impacted by lower captive power generation, resulting in adverse weather condition.

Considering the prevailing operations conditions, we have taken a cautious approach and revised our FY27 production guidance for iron ore mining from 3.4 million ton to 2.5 million ton, iron ore pellet production from 4.4 million ton to 3.5 million ton, and production across other key segment remains on track, with ferroalloys and sponge iron achieving over 50% of annual targets.

Our value-added product sales remained healthy growth in H1 FY27, led by pellet, sponge iron, and rolled products. This was further supported by Y-o-Y improvement across all product categories in both H1 and Q2, contributing healthy revenue growth. The other strategic update, the Godawari iron ore expansion in progressing as planned.

The beneficiation plant targeted for commissioning in Q3 FY27. The plant is expected to strengthen the captive iron ore security and improve quality of pellet, enabling the ramp-up from Q4 and full-scale operations by FY28.

We are expecting our regulatory clearance for use of dumping ground very shortly. It is expected anytime in next couple of days. Once the permission for use of dumping ground is allowed, then our mining production will also increase.

As communicated earlier, 0.7 million ton CRM complex is now shifted to Maharashtra to leverage the benefits of state incentives and subsidies, along with operational synergies from proximity of the proposed base plant and customers for the product.

We have received the land allotment of 31.45 acres at AURIC Bidkin Industrial Area. Lease deed has been executed. Construction activities are expected to commence upon receipt of EC for building construction.

Additionally, Board has approved capex of INR100 crores from internal accrual for container manufacturing line alongside the CRM complex. The commissioning for the container line is expected by March '27. This container line manufacturing was earlier proposed to be set up along with the BESS project.

However, since the CRM project is now shifted to Maharashtra, operationally, it is better to set up this facility as a part of CRM complex, and therefore, now the construction of this project will also start very shortly.

Our 20 gigawatt BESS project is progressing towards targeting commissioning by Q1 FY27, with fresh environment clearance received for building construction. The key technology and supply partnership, including long-term sale arrangement, have also been finalized.

We have also now done the financial closure with the receipt of credit facilities aggregating sanction for INR2,795 crores, comprising of term loan of INR700 crores for BESS project and working capital fund-based limit of INR100 crores and non-fund-based limit of almost about INR2,000 crores.

Additionally, company has decided to set up a 3 gigawatt BESS project for manufacturing small capacity storage system with a capacity of 261 kilowatt-hour and 418 kilowatt-hour for commercial and industrial applications, entailing the capex of INR135 crores, and the project is targeted for commissioning by March '28.

The project will be set up alongside the proposed 20 gigawatt BESS project, and no additional land is required for the same. As you are aware, GPIL is expanding captive power capacity from 190 megawatt to 290 megawatt to support its iron ore mining and additional 2 million ton pellet plant capacity.

The 25 megawatt solar power plant was commissioned and synchronized with the grid in May '26, with power being used at Ari Dongri iron ore mines. The 100 megawatt solar project is under construction, which of course is delayed by couple of months and is now expected to be commissioned by December 2026.

Additionally, 45 megawatt BESS storage project for captive solar power plant is also under implementation and is expected to be commissioned by December 2026. GPIL has also approved an investment of INR26 crores for 26% in SolarCraft Power India 32 Limited to set up 50 megawatt solar power project under group captive arrangement. This is a diversion from our

existing strategy of setting up BESS project on the balance sheet of -- sorry, solar project on balance sheet of GPIL.

Now with funds being used for other capex program, we have decided to use the group captive arrangement for additional power requirement, so that our investment is limited to 26% of equity capital in the proposed setup.

Taking forward our sustainability agenda, the company has approved a capex of INR100 crores for deployment of 50 numbers of EV dumper across our iron ore mines and plant operations, aimed at improving cost efficiency, reducing dependence on conventional fuel and rising fuel cost.

During Q2 FY27, company has started commercial production and enhanced the steel melting shop capacity from 5.25 lakh metric ton to 5.75 lakh metric ton. The expanded capacity is now operational, enabling almost 100% captive use of sponge iron in the billet manufacturing, driving higher value addition and improved operating margins.

Coming on the market outlook, the international iron ore front, iron ore prices remained under pressure with benchmark prices trading at around $90-$92 per ton in early November, largely due to weak Chinese steel demand and rising global supply. Going forward, iron ore prices are expected to average at around $90 per ton in the near term, with further downside risk from incremental low-cost supply, and particularly with the ramp-up of the new Simandou iron ore project.

On domestic iron ore front, iron ore prices continues to be lower than the landed cost of imported iron ore at the plant level, and demand-supply dynamics for iron ore remains stable. However, domestic steel demand outlook remains encouraging, with crude steel production growing 2.9% Y-o-Y and finished steel consumption increasing 7.6% Y-o-Y during H1 FY27, supported by continued infrastructure, housing, and manufacturing activities.

In conclusion, GPIL is well-positioned to deliver sustainable long-term growth supported by its strong captive iron ore mining assets, healthy balance sheet, ongoing capacity expansion, continued focus on cost optimization, and decarbonization.

With a clear defined growth roadmap and disciplined execution, we remain focused on achieving our Vision 2030 target of 4x revenue growth and 3x EBITDA and PAT growth while creating long-term value for all our stakeholders. I would now like to open the floor for Q&A. Thank you, and over to you, moderator.

Moderator: Thank you so much, sir. Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. First question comes from the line of Sucrit D. Patil with Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D. Patil: Good afternoon to the team. I have two questions. My first question to Mr. Agrawal is, your Q2 operating margins dropped from 20% to around 11%-12% because you had to buy more iron

ore from outside market while waiting for tree cutting approvals at your captive mine, and alongside the higher coal costs also.

But I want to understand, as you prepare to commission your 5 million ton beneficiation plant and execute new projects in cold rolled steel and battery storage, how are you managing the risk of further regulatory or approval delays, and what backup plan do you have if mine clearances take longer than expected? I just want to understand your strategic guidance on this.

Abhishek Agrawal: Sure. Very good morning. As you rightly mentioned, the operating margins have gone down because of higher input iron ore costs as well as energy costs, both on the pellet side, pellet fuel cost, as well as on the DRI side because of imported coal. So this has been a major reason for reduction in the operating margins. In terms of mining expansion, to your concern, just to answer that, the tree cutting approval is expected anytime soon this week.

It can come today also, maybe tomorrow also. So as I mentioned earlier, we will be getting all the clearances by Q3, so we are very much on track. And the tree cutting approval and hence further usage, by end of Q3, we should be able to start increasing our mining capacity. That will address all your concerns regarding the cash flows.

All of the projects are on track, and there will be no further delays in terms of execution due to cash deployment. So we have ensured that we have enough free cash flows as well as the generation, and we have also taken few loans from the bank on a long-term basis to keep funding our projects.

Sucrit D. Patil: Thank you. My second question to Mr. Bothra is, with coal, steel margins under pressure and pellet prices getting softer, I want to understand how are you managing the financial risk of taking on a large new debt, and what strict return hurdles or debt limits have you set so heavy capex does not strain your balance sheet if steel prices stay weak? I am asking because I observed your net profit fell from 47% to 46% this quarter, even though as the board approved INR1,400 crores in fresh capex across steel containers and batteries. Thank you.

Sanjay Bothra: The iron ore pellet prices already improved during this quarter, so we will see some profit improvement as compared to this quarter two in this quarter three. As far as the cash deployment is concerned, we have already tied up with our ongoing capex. Our CRM project is, we are getting around INR500 crores capex against that. Our BESS project, financial tie-up is already there, and we have around INR900 crores of free cash flow, free cash as on date. So we do not foresee any cash crunches or cash problems going forward.

Sucrit D. Patil: Thank you, and best wishes.

Abhishek Agrawal: Thank you.

Sanjay Bothra: Thank you.

Moderator: Thank you. Our next question comes from the line of Tanuj Nangalia with SKP Securities Limited. Please go ahead.

Tanuj Nangalia: Hello. Good afternoon, everyone. Am I audible?

Moderator: Yes, please.

Tanuj Nangalia: Yes. My first question is that Godawari had a tendency of earning a higher realization of INR1,000-INR1,500 in their pellets, and this was basically due to their in-house captive iron ore and its quality. So now we are sourcing from outside, so I wanted to understand how much of the drop in realization is due to that premium realization drop and how much is due to the general pricing drop, the breakup between the two?

Abhishek Agrawal: No, sir. So right now, because our production is off on the mine, so right now we are not making any high-grade pellets for the market merchant sale. Whatever production is being done in the mine is being used captively for my steel making. So earlier we used to be doing about 1 lakh tons, 50,000 tons to 1 lakh tons of high-grade sale.

So that sale is completely zero from past few months. So straightaway, you can consider an impact of INR1,000 on that. So merchant sale of high-grade pellets will only resume once the mining production ramps up. From Q4 onwards, we will resume the merchant sale of high-grade pellets, which fetches us a premium of INR1,000-plus.

And on the margin side, the pellet prices were low during end of Q1, early Q2. It has reached INR8,500. It gradually improved to INR11,000 to 11,500. And now, since the market is lull, so the prices are back to INR10,500. As is known, it's a commodity, so the prices will keep going up and down depending on the market. Major impact is of iron ore. Once we are able to ramp up our mining capacity, everything will fall in place.

Tanuj Nangalia: Okay. Thank you so much, sir. Sir, I want a general idea about how much EBITDA per ton we are making, like product-wise, for example, it is pellet or sponge or billet, if you can give us an idea.

Abhishek Agrawal: See, excluding pellet, you can consider roughly about INR6-INR7 a kilo on the entire supply chain, right from my sponge iron to steel making, about INR6-INR7 a kilo on the entire supply chain, apart from pellets. Pellets right now, if you see the market fines prices and the selling price, so hardly or probably a INR500-INR700 EBITDA.

Because even the fuel cost is quite high because of the war situation. And purchasing market from the fines is, of course, it's an expensive affair. So currently, whatever we're selling in the market by fines, hardly making INR500 a ton. It's not much.

Tanuj Nangalia: Okay. And sir, how confident are you on your this thing, the BESS timeline, etcetera, or we can…

Abhishek Agrawal: No, so in terms of our pellets, see, BESS is on track. We should be able to commission, rather the first container should be out by end of Q1 of next financial year, early Q2. So BESS is on track. CRM, because the location was shifted, we have finally got the land. The site work has started post-Diwali. So, currently we've been envisaged December '27 commissioning. At the moment, it might stretch to March '28, that's it. So whatever capex we're doing right now in terms of execution, we are very well on track.

Tanuj Nangalia: Okay. Thank you so much.

Abhishek Agrawal: Thank you.

Tanuj Nangalia: That is it from my end.

Moderator: Thank you. Our next question comes from the line of Sahil Sanghvi of Monarch Capital. Please go ahead.

Sahil Sanghvi: Yes, hi. So my first question is regarding the commercial and industrial use capex that you have announced for the BESS project. Can you please explain what incremental equipments or how does this work out? I mean, what exactly do we do in our setup with this capex?

Abhishek Agrawal: So basically, see, right now, whatever assembly line we are putting up, it is for the grid solution. It is basically for a 5 megawatt container, 5 megawatt and above capacity. So that is for the grid solution. Right now, if you see, there is a lot of demand coming from other sectors where people are looking for smaller storage capacities.

So the containers we will be making in this new line, the capacity of one container will be 260 kilowatts and 418 kilowatts. Just to give a very light, small example, in Delhi, there is definitely a power cut, right? So all the commercial people use a DG. It is a direct version of DG, where you install this container, import grid from the power, store in the battery, and then whenever there is no light, you can start discharging and keep the shop running. Just to give you an example.

So we have also decided to enter into the smaller segment. It is more of a B2C segment, I would say, but in India, the demand is exponentially growing. And right now, there are hardly a couple of suppliers in India. Mostly people are importing from outside country to meet the requirement. So looking at the entire demand and supply, we have decided to put up this line as well, which is going to be a 3 gigawatt line making multiple products, right from 261 to 418 and so on.

Sahil Sanghvi: Got it. Got it. My second question is, in your presentation, you have written in the slide number 25, the BESS slide, that some of the equipments will be supplied by Lead Intelligent Wuxi.

Abhishek Agrawal: Yes.

Sahil Sanghvi: Yes. So I am just trying to understand, should we expect a meaningful off-take only to pick up in Q2 FY28, if we have to wait for this equipment?

Abhishek Agrawal: No, no, no. Just to clarify, the current 20 gigawatt line, the machine supply has already started. And for the new project, for the 3 gigawatt line, that supply will start from July-August '27, and the new 3 gigawatt line will be commissioned by December '27, which is about 12-months from now on. So the August, the supply will start for the new 3 gigawatt line, but for the bigger line, supply has already started, and that line will be commissioned by June-July ' 27.

Sahil Sanghvi: Okay. Thirdly, on the 5 megawatt, our configuration, are we expecting to bid for some projects now, or are we waiting for…

Abhishek Agrawal: Yes, just to give you an update, we have formed a new company called Godawari Energy Solutions Limited. It is basically, it is going to be a supporting in-house EPC company, where we will be bidding for tenders coming out in the market. So today, if you see the entire BESS market, 90%-95% demand is coming from government tenders, whether it is SECI, whether it is Coal India, NTPC, state discoms.

So the idea is to start bidding and create your own concession to a certain level. So the idea is three out of 20 gigawatt, at least 40%-50%, at least, we should be able to create our own consumption by bidding in tenders. So whatever tender we bid, primarily we will be looking at the best supplier in that line, and probably we will tie up with some other companies for supply of EPC or other things.

So, that is the reason we have formed this company, and we will be bidding for tenders going forward. Rather, we have already started bidding for tenders. Of course, we haven't won anything yet. We're still trying to learn the entire gimmicks. But eventually, we will be bidding in tenders and trying to create our own consumption going forward for the 5 megawatt container.

Sahil Sanghvi: Right. And can we expect a 10%-20% utilization in the first year, or are we looking at a little lower number?

Abhishek Agrawal: No, no. So the first year, no, we should be able to reach between 10% and 20%. So June, July commission. So by March '28, we should be able to do at least 20%, 25%. We should be able to produce 5 gigawatt in the first year.

Sahil Sanghvi: Got it. Got it. Got it.

Abhishek Agrawal: Yes.

Sahil Sanghvi: Yes, this is helpful. Thank you so much, and I will come back in the queue. Thank you.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Our next question comes from the line of Sunil Jain with Nirmal Bang Securities Private Limited. Please go ahead.

Sunil Jain: Yes, thanks for taking my question, sir. Sir, this question relates to first for our steel business. So, ex-pellet, whatever we have lost on the profitability, the other steel business has done reasonably okay, or was there a pressure over there also?

Abhishek Agrawal: No, no, no. So I think, no, no. All other units have been producing at the desired capacity, and barring the energy costs, which is up because of the war, entire supply chain is doing quite well. Right from DRI to billets, since we are PGCIL approved, so we are getting a very healthy premium on selling those billets. Then, of course, we have the wire rod and all. So the entire steel supply chain is doing perfectly fine, apart from pellet. And pellet, I am confident from Q4 onwards, we should be able to start showing numbers in pellet production as well.

Sunil Jain: Sir, we had said earlier also about this permission for land, and that got postponed.

Abhishek Agrawal: No, so last time also I had very clearly mentioned, we expect the entire process to get over by Q3, end of Q3. And I would still reiterate, we will be able to complete the entire process of approvals by end of this Q3. And for Q4 onwards, you will see a ramp-up in mining production. So as per my last commitment or last reply, we are very much on track. I know there has been a substantial delay, but as per my last statement, we are very much on track.

Sunil Jain: So, just I was asking that only, how you are getting this confidence this time like things are…

Abhishek Agrawal: Because, of course, officially, I don't have any document which I can share with all the shareholders. But I'm very well aware the permission is at the last stage, because it's a complicated process, it's a long-drawn process. So we are very at the last stage for getting the tree cutting permission. As I said earlier, we can get the permission today or tomorrow, but I'm very confident we'll get the tree cutting permission this week. And from there on, we need about three to four weeks to do the tree cutting, get the land clear, and start using the land for dumping.

Sunil Jain: Great sir.

Abhishek Agrawal: That's why I'm confident. Yes.

Sunil Jain: Good to hear, sir. Thank you very much.

Abhishek Agrawal: Yes. Thank you so much.

Sunil Jain: And sir second thing about this BESS project, what you had said that 40%-50% will be captively consumed. So, will there be investment in that particular part of business, like we have to create asset base and then use that to sell or something like that?

Abhishek Agrawal: No, see, so we are not right now thinking of those lines where we create an asset and how everyone else is doing. It's a very initial phase. There's a possibility where instead of participating on tenders directly, we might be able to tie up with big tender participations where on back-to-back guarantee we can supply the BESS containers.

So we're exploring all avenues from a long-term perspective, which is bidding for tenders directly, tying up with other tender players, other participants. So let's see how the market unfolds. But we are very, very clear in terms of we have to have all the venues open in the market. You just cannot go on a straight line. You have to keep all the options on the table to keep the consumption on the higher side.

Sunil Jain: And sir last question related to again to the BESS. Sir, what is the situation in the market? Everyone is into setting up of the line for the BESS project.

Abhishek Agrawal: Yes, yes.

Sunil Jain: Is there overcapacity getting created and then we might see some pressure?

Abhishek Agrawal: See, on paper it is. If you ask me very honestly, yes, in last six months, the amount of capacity has been announced by different players. It is alarming, but as again I'm saying, it's still on paper to announce and execute a project is a good 18-months to 24-months of timeline. And we are very close to commissioning our plant. So that first mover advantage we will definitely get for at least next couple of years.

Sunil Jain: Okay, sir. All the best, sir. Thank you very much.

Abhishek Agrawal: Yes. Thank you.

Moderator: Thank you. Our next question comes from the line of Varun Mehta with Wealth Link Investments. Please go ahead.

Varun Mehta: Good afternoon, everyone.

Abhishek Agrawal: Good afternoon. Yes.

Varun Mehta: Yes, good afternoon. Yes. Can you just throw some light on BESS margin, what we are looking at? Because as per annual report it has been stated that we are looking at 12%-13% margin, on the higher side. But the last conference call, two conference call back, you had said it by 7%-8%.

Abhishek Agrawal: No, so on the BESS side, I think, yes, margins should be between 5%-7% only.

Varun Mehta: 5%-7% only? Okay.

Abhishek Agrawal: Yes.

Varun Mehta: And any update? Yes, sorry. Okay.

Abhishek Agrawal: Yes, that is what we have been envisaging from day one. I do not know if we have done 12%-10%, then we would like to correct that. So, on the longer-term basis, BESS margin should be between 5%-7% only.

Varun Mehta: Otherwise…

Abhishek Agrawal: With a high volume turnover.

Varun Mehta: The annual report, sir.

Abhishek Agrawal: Okay. I will speak to my team on this. Thank you for pointing out.

Varun Mehta: And anything, any update on the steel plant? Are we still on it, or we are waiting for it?

Abhishek Agrawal: No, as we said last time, it is on hold. We are still waiting for the approvals pending, which is especially on the water side. We still have, we haven't succeeded to get the desired approval. So, steel plant remains to be on hold. Let's see how we move forward with it. But as of now, we have no plans. Yes, the plans are on hold at the moment.

Varun Mehta: All right. Thank you.

Abhishek Agrawal: Yes.

Varun Mehta: Thank you so much.

Abhishek Agrawal: Yes. Thank you.

Moderator: Thank you. Our next question comes from the line of Yash Kabra with Nirmal Bang Securities. Please go ahead.

Yash Kabra: Hi, am I audible?

Abhishek Agrawal: Yes, please.

Yash Kabra: Yes, sir. Sir, just wanted to confirm like, has there been any accident in any of our mines?

Abhishek Agrawal: Sorry, come again, please. I couldn't hear you properly.

Yash Kabra: Just wanted to confirm, sir, like has there been any accident in any of our iron ore mines?

Abhishek Agrawal: No, no, no. There has been no accident in any of the mines.

Yash Kabra: Okay, great, sir, great. Sir, like next question is, sir, just wanted to know, like our debt now will go up by, let's say, INR2,795 crores, right? Because of the GNEPL, we are taking that debt. Sir then, and we are as of now, our position is net cash. So going forward, how do you foresee this net cash levels to go in FY28, FY29?

Dinesh Gandhi: See I am Dinesh Gandhi here. The debt of INR2,795 crores is primarily a non-funded facility of about almost INR1,995 crores. The funded facility is only INR800 crores. INR700 crores is term debt for the BESS project, and INR100 crores is working capital. Rest will be basically your supply chain financing. Else, you may have to give the guarantees, performance guarantees,

etcetera. So, we have tied up a sizable limit so that we don't go short of the limits for our operations in the BESS project.

Yash Kabra: Got it, sir. Got it.

Dinesh Gandhi: Funded base facilities is very small, about INR800 crores only. And of course, INR550 crores for the base CRM project.

Yash Kabra: Got it, sir. Got it. And lastly, sir, if I just can squeeze, yes, Abhishek sir has mentioned it, but on the guidance reduction, we have reduced our guidance on iron ore mining and pellet production as well. So just like, if we, like if Abhishek sir is saying that we will be getting the permissions soon, so can't we ramp up the capacity in Q3 only for the iron ore mining and we have the…

Abhishek Agrawal: No, no. Just to make the process very clear. So once we receive the permission, it will take about four weeks for the clearing of the land. And from so, 2nd of December, we expect to start using the land. And we would need some time to start ramping up the production, because we need to create the infrastructures.

That's why I said, Q4, you will see the impact coming out in terms of increasing production. And from Q1 onwards, next year, you can see substantially improvement in mining production. Because we need time to start increasing production, we need to develop the infrastructure and other things, that's right. So, that will take some time. So, Q4, you will see slight improvement. And from Q1 onwards, we will see, we are achieving close to about 70%-80% of the capacity from Q1 onwards, the next financial year.

Yash Kabra: Got it, sir. Got it.

Abhishek Agrawal: That is why we have revised the guidelines for pellet as well as for mining.

Yash Kabra: Got it, sir, got it. Very all the best, sir. Thank you so much.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Next question comes from the line of Tanuj Nangalia with SKP Securities Limited. Please go ahead.

Tanuj Nangalia: Thank you for the opportunity again. Just wanted to understand, like the mining, the present quarter's mining was on the lower side because of the space constraint. But this space constraint was for the newer capacity, like the expanded capacity. So, why year-on-year our minings on the lower side?

Abhishek Agrawal: No, no, no. Just to clarify, no, no. The space constraint is not for the newer capacity. The space constraint is for dumping over the overburden, whether it is for the current capacity or the increased capacity. So, eventually…

Tanuj Nangalia: Okay, okay.

Abhishek Agrawal: We had, yes, just to clarify. So the new land is only for dumping of overburden. Once we are able to start dumping the overburden at a higher capacity, automatically our mining production will improve. So, that is why the current mine levels are on the lower side, due to space constraint.

Tanuj Nangalia: Okay. Okay. Okay. Thank you so much for the clarification.

Abhishek Agrawal: Thank you. Yes.

Tanuj Nangalia: Best of luck. Yes.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Next question comes from the line of Saksham Tyagi with Desvelado Advisory. Please go ahead.

Saksham Tyagi: Hello, am I audible?

Dinesh Gandhi: Yes, yes. Go ahead.

Saksham Tyagi: Okay. So sir, my first question is that since you have changed the Cold Rolling Mill project location from Chhattisgarh to Maharashtra to avail the incentives and subsidy. So I just wanted to know what type of subsidies are we expecting and also what kind of other benefits we will be getting from this location change and all.

Abhishek Agrawal: See, so in the new CRM complex, so we have signed a policy in Maharashtra government under the Mega status policy, which is above INR1,000 crores. And there is, incentives in different categories. There is discount in the duty tariffs, there is discount in the interest subvention, and major is the gross GST, gross SGST. So whatever sales we do in Maharashtra itself, straightaway we will be getting a refund of 9%, which is the gross GST.

So that is the major benefit we are getting from Maharashtra government. Bidkin is a plug-and-play model where you don't need to spend anything on infrastructure in terms of water, electricity, and other things. Everything is delivered to your doorstep. So they have created the entire ecosystem in such a way that you only have to focus on your plant operations. So that is incentive in Maharashtra government for this new policy. Yes, yes.

Saksham Tyagi: And secondly, can you give some colours on the execution of this 20 gigawatt our BESS project? Like how is it going to get established?

Abhishek Agrawal: It is very much on track. The machines, the first lot has been dispatched from China after all the testings, and we should be able to take out the first container by end of Q1, early Q2, which is June, July of '27. Hello? Can you hear me? Hello?

Moderator: Sir, participant has left the queue.

Abhishek Agrawal: No problem.

Moderator: Okay. Our next question comes from the line of Shikhar Mundra with Vivog Commercial Limited. Please go ahead.

Shikhar Mundra: Hi, am I audible?

Moderator: Yes, go ahead.

Shikhar Mundra: Yes. So for the various factors we discussed for the margin drop, can you quantify, like, how much of EBITDA loss was due to the increase in energy prices and how much of EBITDA loss will be due to the dumping movement in the issue?

Abhishek Agrawal: See, per ton, you can consider roughly, today, whatever we are buying from the market, the iron ore fines. So on a yearly average, you can consider about INR3,000-INR3,500 minimum, straightaway whatever extra quantity we got from the market. Plus, the high grades of pellet which we were selling, we could not make INR1,000 on those volumes as well.

So it is a substantial loss, I would say. And on the remaining side, our coal cost is up by close to INR1,000 to INR1,500 in DRI, and the power cost is up by another INR0.50-INR0.75 on the energy side because of the war.

Shikhar Mundra: Okay. And in EBITDA, how much would be the coal incremental cost increase, and how much would be the power incremental cost increase in EBITDA absolute amount?

Abhishek Agrawal: See, we do about 1.5 lakh tons of DRI, so about INR15 crores from that side. And on power, I would say roughly about INR25 crores-INR30 crores on the quarterly loss because of the increase in coal cost. But you also need to understand, because of this, even the finished prices went up. So pellet was hovering somewhere around INR36,000, INR37,000, INR38,000. It went up to INR43,000. Even DRI was INR24,000, came up to INR29,000.

So there has been a substantial increase in the finished prices as well, looking into the raw material prices. So I would not call it a straightaway EBITDA loss on account of increase in raw material. Pellet, of course, it is a straightaway loss in terms of lower volume for mining as well as the high-grade sale. Rest, I wouldn't say it as a EBITDA loss, because even the finished prices have gone up accordingly. Yes.

Shikhar Mundra: Okay. So quarter three also, we can expect then similar margins only, right? Because the pellet…

Abhishek Agrawal: Yes. Q3 will be similar on Q2. Q3 will be similar on Q2.

Shikhar Mundra: Okay. And from next year Q1, we can expect the normalized margins back?

Abhishek Agrawal: Yes. So, yes, exactly. So Q4, you will see a substantial, you can see a marginal improvement in Q4. And from Q1 onward, we should be back on track.

Shikhar Mundra: Got it, got it. And sir, for the BESS project of INR1,400 crores we are investing, what is the typical IRR we are expecting from this? What is the revenue, EBITDA, IRR we are expecting for…

Abhishek Agrawal: See on a 80% capacity, which is 15 gigawatt full capacity, the turnover will be about INR13,000 crores. Today, per megawatt hour cost is about INR90 lakh-INR95 lakh. And on a 5% EBITDA margin also, we do about INR4 lakh, INR4.5 lakh per megawatt. So on a 15 gigawatt, we will do about INR600 crores of EBITDA on annual basis. So including everything, ramp-up, stabilization, I would say it is a three, three and a half payback on the maximum side.

Shikhar Mundra: Got it. Got it.

Abhishek Agrawal: Yes.

Shikhar Mundra: Thank you. And all the best.

Abhishek Agrawal: Thank you so much.

Moderator: Thank you. Our next question comes from the line of Nitin Shah, an individual investor. Please go ahead.

Nitin Shah: Hello. Good afternoon, sir. Sir, my first question is regarding the BESS project. I believe we are adopting a new cell technology of 618 Ah. Purely that one thing, how much incremental EBITDA should it give on and above what you are assuming right now?

Abhishek Agrawal: No, so see, we intend to use 628. That's what the agreement we signed with the Chinese supplier. So, we expect there should be at least 4%-5% saving on the operating cost. So the entire operating cost for a container is hardly about 10%-20% you can say. So about 1.5% additional EBITDA we will envisage by using the high-capacity cells to make the 5 megawatt container.

Nitin Shah: Okay. Okay, sir. And sir what would be your position with respect to DCR content that makes us eligible for all the projects and all?

Abhishek Agrawal: Yes. Right now, for all the BESS tenders especially, there is no DCR content, because everybody, whether they are importing directly or they are making in India, the cells are coming from China itself. So, there is only a criteria of 20% DCR content by value in the tender, which we qualify because of the operating cost and other things. So, there will be no challenge in terms of the DCR content for BESS supplies.

Nitin Shah: Okay. Okay, sir. And sir my second question is regards to our inter-corporate loans policy. What is the situation right now? How much have we lent out to whom?

Abhishek Agrawal: Bothra-ji?

Sanjay Bothra: Hello. Yes, we have currently lent out around INR120 crores to inter-corporate on a 12%-15% interest basis. Going forward, all these loans will be returned within next nine to 12-months.

Nitin Shah: Okay, sir. Okay, thanks. And sir, lastly…

Abhishek Agrawal: Yes. Because now, since just to add to what Bothra-ji said, since we have started investing now, and our capex plans are huge going forward, we have decided to call back all the loans as per the agreement, and after that, there will be no disbursement of corporate loans anymore.

Moderator: Thank you. Our next question comes from the line of Sunil Jain with Nirmal Bang Securities Private Limited. Please go ahead.

Sunil Jain: Yes, thanks for taking my question again. Most of the question answered. Sir, I would like to just understand the impact of the increasing international production of iron ore on domestic pellet prices. Mind you, definitely production is going up. So, what will be the impact means how the landed cost will be here in India and how the pellet price domestically can get impacted?

Abhishek Agrawal: See, definitely imports in India will increase because the supply is not able to match the demand. As you see, India's steel production is going about 10%-12% every year. So, there is definitely a mismatch in the demand and supply. So, people sitting at port have already importing. I think, as per my information, companies like JSW and all have already importing regular basis. So but that import of iron ore have no relation in pellet prices.

Pellet prices are primarily driven by the domestic raw material, which is iron ore, and the demand from the market. Because there are certain regions where there's overcapacity of pellets, so prices are under pressure. There are certain regions where capacity is adequate, so prices are a little healthier compared to other regions. So, import of iron ore will not affect the pellet price in India.

Sunil Jain: Okay. And the domestic prices, what could be the driver? Means, against the imported landed price what is the difference between the price of the pellet and the imported landed price? Means, like, see…

Abhishek Agrawal: See…

Sunil Jain: Your product.

Abhishek Agrawal: Yes, yes. So, see, so today, if somebody wants to import pellets into India, see the landing cost at port will be on the lower side, but due to this inland logistics, which is port handling and then moving the cargo to your plant, when you do that calculation, then domestic pellet becomes more viable. Another reason is when you are importing pellets, you need to import the entire ship, which involves a lot of cash requirement. So a lot of people don't prefer doing that because India has adequate supply of pellets, I would say. Yes, pellet supply is going up because companies like Lloyds and other who have captive mines are increasing the pellet capacity year-on-year.

Sunil Jain: Okay, so…

Abhishek Agrawal: India does import lumps, especially the Gujarat belt. They do import lumps from Africa, which is a direct replacement of pellets in India.

Sunil Jain: Okay. And according to you what could be the reasonable price for the pellet in, say, next six to eight months?

Abhishek Agrawal: See, I would say anything INR10,000 plus, minus 5%. So, a band of INR9,500-INR10,500 ex-Raipur should be sustainable in today's market conditions.

Sunil Jain: And with the full mining in operation and say at around INR10, we can do an EBITDA of INR3,000-INR3,500 from that pellet?

Abhishek Agrawal: No, I would say more. At full mining capacity, at a pricing of INR10,000, we should do an EBITDA of more than INR4,000 on pellet itself.

Sunil Jain: Okay.

Abhishek Agrawal: Our production cost of pellet will not be more than INR5,500-INR6,000. At INR10,000, we will be doing EBITDA margins of INR4,000, which is almost about, yes, 50%, yes.

Moderator: Thank you. Next question comes from the line of Anant Mundra with Mytemple Capital. Please go ahead.

Anant Mundra: Thank you for the opportunity. Sir, just had one question on the iron ore reserves. Ari Dongri is about 80 million tons, and currently we are planning to do 6 million tons there, so that gives us a visibility of about 14, 15 years.

Abhishek Agrawal: Yes.

Anant Mundra: So is there a, I mean is there a scope to increase these reserves at Ari Dongri?

Abhishek Agrawal: See, so we are close to, I would say, 80% of exploration has been done. 20% is remaining, but that exploration can be only done once we are able to reach to a certain level of mining. So, that will happen in, I think, next 12-months to 18-months. After that, we will further do exploration, and we are hopeful there might be a minor escalation in the results. I don't see substantial results going up. From 80 million tons, it can probably go to 90 million tons, 95 million tons, but not more than that. So, we can consider 80 million tons as a base case where we'll be able to operate at full capacity for next 15 years.

Anant Mundra: Got it. Similarly at Boria Tibu, current reserve and how much can it expand to?

Abhishek Agrawal: See, so Boria Tibu, currently the mining capacity is 0.7 million. From next financial year, we'll be doing the full capacity. We'll be doing at full 0.7 million tons. And further, we have plans to increase the capacity to 4 million tons by FY31. Purchase have already started, filing of TOR etc for EC. Reserves in Boria Tibu are again close to about 75 million tons, but that is purely low grade, which we need to beneficiate and then further get the concentrate in the plant. So, we

are also planning to do a 4 million beneficiation. Out of which the output will be about 1.5 million tons at a 40% recovery only. So every year 1.5 million, reserves about 75, so that mine source will also run for 15 years, 17 years after expansion.

Anant Mundra: Got it. So the proven reserves are not the same as the 6 million. So even for Ari Dongri…

Abhishek Agrawal: No, 80 million in Ari Dongri and about 75 million, 80 million in Boria Tibu. But Boria Tibu is completely, it is BMQ, low grade, so we need to benefit it.

Anant Mundra: Okay. So that 75 million ton at Boria Tibu has to be seen in context of the usable reserves.

Abhishek Agrawal: Usable, we will get about 25 million tons, 30 million tons only at a 35%, 40% recovery.

Anant Mundra: Okay. Got it.

Abhishek Agrawal: Yes.

Anant Mundra: Thank you. Thank you. That's it from me.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Next question comes from the line of Sahil Sanghvi with Monarch Capital. Please go ahead.

Sahil Sanghvi: Yes, just one clarification. I think we will be looking at roughly 2.3 million tons-2.4 million tons of iron ore procurement in second half, and fair to assume that roughly 1 million ton can be outsourced in second half of iron ore?

Abhishek Agrawal: Yes. About little less than 1 million, I would say, close to about 0.7 million tons, 0.8 million tons. Roughly about 7 lakh tons, 8 lakh tons.

Sahil Sanghvi: And would large part of it will be done in Q3 itself?

Abhishek Agrawal: It is already happening. So since we are already middle of Q3, so it is already happening in Q3 and partly happening in Q4. As mining production ramps up, we will start decreasing the purchase of raw material from the market.

Sahil Sanghvi: So fair to say roughly 2 million ton of total iron ore sourcing in FY27, right? Just to understand how it will go.

Abhishek Agrawal: Correct. Yes, roughly 2 million tons on a full year basis.

Sahil Sanghvi: And will this completely go to zero in next year or will still have some small number just to have a…

Abhishek Agrawal: So in FY 2028, we should be able to touch 80%-85% of our capacity. So roughly we should be able to do about 5 million tons-5.2 million tons. So there will be a small purchase of say about

0.5 million max from the market. FY29 onwards, we are 100% captives. Rather, I would say on a practical term, from October '27, we should be able to start mining at 6 million capacity after the monsoon gets over.

Sahil Sanghvi: Got it. So first half of next year, we will see some external sourcing.

Abhishek Agrawal: Some, yes. Some, yes. But then all the pellet plants will be running at full capacity, so you'll see substantial jump in pellet volumes from Q1 onwards.

Sahil Sanghvi: Got it, got it.

Abhishek Agrawal: Yes.

Sahil Sanghvi: Thank you. Thank you so much.

Abhishek Agrawal: Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question of today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you team.

Dinesh Gandhi: Thank you. Thank you, ladies and gentlemen, for joining us on this call today to discuss the Q2 and FY27 earnings conference. I am sure that we have adequately answered all your queries. In case you have any more questions, please feel free to touch us or our investor relation team at Go India Advisors. Thank you very much. Thank you. Thank you, and with this, we conclude this call.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Monarch Networth Capital Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.