एक कदम स्वच्छता की ओर

HIRA
GODAWARI POWER & ISPAT

एक कदम स्वच्छता की ओर

REF: GPIL/NSE&BSE/2021/4575

Date: 08.11.2021

To,

1. The Listing Department,
   The National Stock Exchange of India Ltd,
   Exchange Plaza, Bandra Kurla Complex,
   Bandra (E), MUMBAI – 400051
   NSE Symbol: GPIL

2. The Corporate Relation Department,
   The BSE Limited, Mumbai,
   1st Floor, Rotunda Building,
   Dalal Street, MUMBAI – 400 001
   BSE Security Code: 532734

Dear Sirs,

Sub: Submission of Transcript of Conference Call held on 01st November, 2021

This has reference to conference call held on 1st November, 2021 for Analyst/Institutional Investors/Fund House/Investors etc., please find attached herwith the Tranascript of Conference Call.

The aforesaid information is also being hosted on the website of the company viz., www.godawaripowerispat.com.

Thanking you,

Yours faithfully,
For **GODAWARI POWER AND ISPAT LIMITED**

Y.C. RAO
COMPANY SECRETARY

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

Encl : As Above

“Godawari Power& ISPATQ2FY22 Results Conference Call”

November1, 2021

MANAGEMENT:	**MR. B L AGARWAL -MANAGING DIRECTOR, GODAWARI POWER** **MR. ABHISHEK AGARWAL-EXECUTIVE DIRECTOR, GODAWARI POWER** **MR. SIDDHARTH AGARWAL- NON-EXECUTIVE DIRECTOR,GODAWARI POWER** **MR. SANJAY BOTHRA- CHIEF FINANCIAL OFFICER, GODAWARI POWER** **MR. DINESH GANDHI- DIRECTOR, GODAWARI POWER**
MODERATOR:	**MS. SANA KAPOOR - GOINDIA ADVISORS LLP**

Moderator: Good Morning Ladies and gentleman welcome to Godawari Power and ISPAT Ltd.Q2 FY22Earnings Conference Call hosted by Go India Advisors LLP. 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, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Sana Kapoor from GoIndia Advisors LLP. Thank you and over to you Mam.

Sana Kapoor: Thank you. Good morning, everybody and welcome to Godawari Power & ISPAT Ltd. Earnings Call to discuss the Q2 FY22 Results. We have on the call Mr. BL Agarwal – Managing Director, Mr. Abhishek Agarwal-Executive Director, Mr. Siddharth Agarwal- Non-Executive Director, Mr. Sanjay Bothra- Chief Financial Officer and Mr. Dinesh Gandhi-Director. We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces. May I now request Mr. Dinesh Gandhi to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you and over to you sir.

Dinesh Gandhi: Thank you Sana. Good morning,ladies and gentlemen thank you for joining the earning conference call to discuss the Q2 FY22 earnings of the company. I trust that you have had a look at the earnings presentation uploaded on the exchange and the company website. Before I discuss on the quarterly performance, I would first briefly touch upon the key strategic updates for the quarter.

I am pleased to report that with the decisive, consistent and focused approach taken by the management of the company three years ago, GPIL has become additory on standalone basis, this is really a dream come true for us, which we had decided about 3 years ago. This we have achieved it against the scheduled repayment period up to 2030. So, definitely it is a remarkable achievement for the company and we are all very happy about it. With the debt free status of the company, your company has already announced growth plans by investing into the captive solar projects and integrated steel plant to manufacture pellet steel products. Sending investments into these projects the company has decided to invest surplus funds generated from the operational cash flow of the company into bank deposits and other short-term instruments.

Coming on the CAPEX plans which were announced during the earlier quarter, I would just like to give you some update on that, with regards to the solar project where we had announced that the company will be setting up 250 MW captive solar power plant in Chhattisgarh, partially to meet the increased requirement and partially to replace the old high cost coal and bio-mass generating capacity, however during the last quarter, there was a change in the State regulatory environment regulations for setting up captive power plants and in view of the change regulation, our company has reduced the size of the project from 250 MW to 100 MW and CAPEX from Rs. 750crore to Rs. 325 crore. The State CRC has restricted setting of the captive solar capacities to the extent of two times of the connected lot and therefore there was a need to change in the size of the project. Now this 100 MW project will be setup at two locations, we had earlier announced to setup the project at Raigarh where we had a large parcel of land, however in view of the lower size of the project we have decided to change the location of the project wherein 170 MW will be setup atRajnandgaon, for which we already have the land in our possession and this 170 MW we are targeting to complete by Q1 FY23, coinciding with the commissioning of our increased steel billet capacity, so that the company is able to draw the power from the new solar project.

Similarly, 30 MW capacity will be setup at a new location, for which we have done the land identification and acquisition is in process and this 30 MW will be utilized for our power requirement at the captive mines, including crushing and beneficiation facilities being setup at the mines. The Hira Ferro Alloys 70 MW project, there is no change except the change in the location of the project. Earlier the 70 MW Hira Ferro Alloys project was proposed at a location where GPIL is now setting up 70 MW and therefore Hira Ferro land is also identified and is in process of acquisition. The 30 MW GPIL, plus 100 MW HFL will get commissioned in H2 FY23. As against the announcement made earlier the 73 MW capacity, the existing captive power generating capacity will continue to operate without any shutdown, however in order to increase the operating efficiency in the coal and biomass power plant, we have decided to replace the turbine, the old turbines with the new 48 MW high efficiency turbine, which will enable us to generate 8 MW of additional power, without any additional fuel and operating cost, so while the CAPEX on this investment will be close to about Rs. 60 crore, which will get completed over a period of next 1.5 years.

Your company is gradually progressing towards the setting up of 1.5-million-ton, integrated steel plant announced earlier, we are presently in the process of finalizing the technology and equipment details. Land acquisition is also underway and we expect to file for the environmental approval for the project during the current month. The environmental approval, land acquisition and the other project related details shall be finalized over a period of next 1year and we expect the construction to start only after next Diwali. Thereafter this project will require about 2-2.5 year to commission. This project we plan to mainly fund it through the internal accruals of the company and if required, we shall raise the debt at an appropriate time, taking into account the overall debt to EBITDA of the company shall never exceed 1:1.

Now I will touch upon certain other major developments during the quarter. As you all are aware the capacity for our Ari Dongri iron ore mines is been announced to 2.3 million ton with the grant of the approval, environmental approval and with this the company has started utilizing 100% of the captive iron ore for our steel manufacturing facility in order to improve the efficiency as well as the higher production in the mine and to utilize low grade ore, we have decided to setup the iron ore crushing and beneficiation facilities at the mine and the CAPEX for the mine which was earlier announced to be about Rs. 75 crore is now reversed to Rs. 125 crore.

The credit rating of the company has been recently upgraded from A stable to A+ stable by CRISIL. The rating upgrade reflects the company's healthy business profile driven by integrated operation, established market position and improved financial risk profile. As you all are aware the merger of Jagdamba Power was 25 MW power project was dropped in view of differences over the valuation. The company continues to draw power from Jagdamba earlier arrangement of the power purchase agreement and the same arrangement will continue till an alternate agreement with Jagdamba management is finalized for acquisition of this 25 MW power project because with the reduction in the size of the solar project this is a long-term requirement of the company and at some point, of time we will try and reach an agreement with the existing management of Jagdambaand acquire this unit.

There was another development with regard to our solar project with the healthy cash flow generation of the company and the proposed scheme for divesting this stake in solar projects SPV has been withdrawn, although we continue to explore the possibilities of divesting the stake at an appropriate time ata valuation which is considered reasonable by the management of the company. We shall come with the shareholders for trace approval as and when agreement in this regardis executed with the potential buyers.

Another development during the quarter was relating to Hira Ferro Alloys. Hira Ferro Alloys which is having an 60000 ton of ferro alloys capacity with captive power generation of about 30 MW has become subsidiary of your company with the stake of 52.79%. This stake is likely to go up to 56% in the near term with additional subscription in the raise capital issue of Hira Ferro Alloys which was announced earlier.

I am also pleased to report that the stock split and bonus which was approved by the Board of Directors of the company has been approved by the shareholders, we have already credited the split share to the account of the shareholders, the allotment of the bonus has been completed in the last board meeting and now the process for crediting the share in shareholders account is underway.

Now, coming on the results without taking much of your time, I am sure you all must have looked at the numbers of the company, just to give you a brief on the same. On the Y-O-Y basis the revenue of the company increased 32% primarily driven by the higher realization. The average realization of the pellet during the quarter was about Rs. 13000 a ton about 10% lower than the realization of the last quarter, however it is 3% higher as compared to the same quarter last financial year. The steel business realizations were almost flat on quarter-on-quarter basis but up over 50% as compared to last year. The EBITDA of the company stood at about Rs. 436 crore for the quarter. With reduction in debt, the finance cost has come down by 73% Y-O-Y and concurrently the PAT has increased to about Rs. 296 crore, up 185% Y-O-Y.

Coming on the business outlook of the company, the iron-ore prices have fallen from a peak in domestic market from Rs. 9600 to about Rs. 6200 in last 4 months for 62 FE material, however as still demand improves similarly iron-ore prices have again started to recover. The pellet prices which were fixed at about Rs. 16000 a ton has come down to Rs. 11000 a ton during the last quarter and now sharply recovered to about Rs. 13000. The finished steel prices have recently gone up about by 20% in view of the increase in the input cost mainly, the coal cost, thermal cost, coal cost for manufacturing of the long product in the secondary steel plant. We expect the iron ore and the pellet and finished steel demand to remain healthy going forward. And we also expect the company to post the healthy cash flow going forward in the near to medium term. With this now I would like to open the floor for the question and answer. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Monika Bajaj from Steel Mint. Please go ahead.

Monika Bajaj: Sir I just wanted to ask what is your pellet production guidance for this fiscal and how much do you see the share for the domestic market and for the exports market in this fiscal?

Dinesh Gandhi: We aim to manufacture the entire 2.4 million ton in Godawari Power and about 700,000 tons in Ardent Steel. The mix between domestic and export will depend and will be mainly driven by the market conditions, depending upon the demand and the size recovery.

Monika Bajaj: Okay and when we talk about low alumina pellet, how do you see the low alumina pelletwill doing, going forward in this fiscal, how would be its share and how will the market be driven for low Alumina?

Abhishek Agarwal: Can you please repeat the question?

Monika Bajaj: Sir, I just wanted to ask that how have the low Alumina pellet market been doing and how would its market be like going forward in this fiscal?

Abhishek Agarwal: See there is a huge demand from the export market for the low Alumina Cargo although the licensehad dropped significantly compared to the last quarter and domestic license are much better but still, we will maintain a ratio of you know probably doing 50% domestic, 50% export because the low alumina value is at I think, lot of customers from Europe and non-Chinese countries like Malaysia and Korea and all. So, I feel the demand is there, of course prices are driven by the global market, as you all are aware that Iron Ore index is falling quite a bit but then pellet Premium which defines the pellet market has jumped almost double in last four weeks. So, there is huge demand and I am sure will remain like that because China is now targeting directly steel to the blast furnace, so pellet will be there in demand.

Moderator: Thank you. The next question is from the line of Vikash Singh from Phillip Capital. Please go ahead.

Vikash Singh: Good morning, sir, I just wanted to understand the current spot prices for other materials like Sponge and Billet as well versus 2Qas such and my second question would be, how is the export prices of Pellets now prevailing and given that the availability in the domestic market for Iron ore has been increasing, do you think that the trend, how the pellet prices would behave in the domestic market going forward?

Abhishek Agarwal: I will take this. See as far as the current prices are prevailing, so Sponge Iron is hovering around Rs. 33,000 / Rs. 33,500, which is all time high in the history of Sponge Iron. Ithad jumped to Rs. 35,000 couple of weeks back but now corrected to Rs. 33,000 whereas Billet is hovering around Rs. 46,000 / Rs. 47,000. So,all these prices are at record high, ever high in history of the commercial segment. As far as pellet is concerned, currently the domestic prices are hovering around Rs. 13,000 which was at the low of Rs. 11,000 and has jumped to Rs. 13,000 and whereas export market the prices are hovering around Rs. 11,000 /Rs. 11,500 but as you all are aware, we are exporting the High-gradePellets, so we will maintain the ratio, we will be exporting High-grade pellets and selling all our other 3.5pellets in the domestic market, so we will have mix of both where you can realize,arealizationofclose to Rs. 13000 for high-grade as well as domestic market because we get almost 30 orders more for the High-grade pellets, so that will keep therealizations at the same levels for the domestic and exports in case of Godawari.

Vikash Singh: And what would be our current mix in terms of export versus domestic as said?

Abhishek Agarwal: It is 50%-50% at the moment,50% domestic, 50% export.

Vikash Singh: Understood, sir my second question pertains to our coal availability as well as the cost, if you could update us what was the coal cost in 2Q, how do you see it going forward in 3Q and what is the availability scenario as of now?

Abhishek Agarwal: See as far as my BIO portion is concerned, we only use imported coal, so for that we are very well covered till January, February of next calendar year, with a very attractive prices we did lot of advance buying, so we are not totally, we are notat allimpacted by the recent jump in the thermal coal prices globally. As far as domestic is concerned, we are getting supplies from Coal India via linkages, which is more than enough to run our power plants, so we have no issues on the coal front. We have not purchased any single quantity from the open market at such high level, whether it is import or domestic. So, in terms of coal, we are very well covered at a very good prices, I would say.

Vikash Singh: Sir any indication, how that, till January the prices which we have booked in 1Q levels or, an indication of the levels at which you would have booked the …

Abhishek Agarwal: So, for the import coal, my levels at 120, 125CFR levels.whichat the moment, it went up to almost 240, 230 CFR levels and have corrected to around 170, 180 levels, so our coal is covered at 120, 125 CFR levels for pure RB1, we only use trying coal, which is called RB1 international market, we use only that for Sponge Iron making.

Vikash Singh: Understood, sir just for my understanding purpose, so basically since imported coal has now have a longer timeline in terms of logistic, so we have to buy the coal by end of November, right? So, if prices does not come down by end of November, we have to import for, or look for a higher coal cost or a certain portion of it can be substituted through domestic purchase?

Abhishek Agarwal: No, see we do not use any domestic coal for our sponge iron making for the quality because the moment we started using the domestic coal, our production goes down. As far as prices are concerned, theinternational prices have already fallen by almost $90 in last two weeks because China has again come into the picture and they want tocontrol the prices, so the Coal Index which hadjumpedto almost to 240 levels, starting October, has come up to 140 levels already. So, going forward, I am sure we would not be in battle world. I guess, prices coming down already, internationally.

Vikash Singh: Understood, sir just one last question, if I can slip in? So, we have reduced our power solar PV plant from 250 MW to 100 MW but the cost has been just trimmedof by half, my estimate was that since we had a sizeable portion of our own land bank, so the cost per MW should have come down in similar proportion, so can you just explain what I am missing here?

Dinesh Gandhi: So, Vikash there are two things in this, number 1) is you are aware because of the power shortagein the China, most of the solar modules are being imported, so most of the Chinese manufacturers of the module have invoked the force majeure clause and have started negotiating for the increase in price, number 2) the land bank for 100 MW of the project between GPIL and Hira Ferro Alloys we have to do the land acquisition also fresh because the earlier project was proposed to be setup in Raigarh where we have a land parcel but if I see the economics of the project, setting up a 100 MW capacity in Raigarh does not make economic sense because the transmission cost is very high from that place, unlike 250 MW project and therefore with the change in location of the project as well as the increase in the cost by Chinese manufacturer, the cost has tentatively has gone up by 15-20% for these projects.

Moderator: Thank you. The next question is from the line of DV Jalan from KLJ Securities. Please go ahead.

DV Jalan: My question is that if I understood correctly the inventory level at this quarter is very high, why this is so?

Dinesh Gandhi: No sir the inventory level during the last quarter was higher which has been sold in the current quarter, except some raw material where some of the inventory cost has gone up but it is not substantially higher. But the kind of, will keep on happening.

DV Jalan: And what about the present and future demand of pellet.

Dinesh Gandhi: I think Abhishek has already explained about the pellet demand, Abhishek would you like to take it again.

Abhishek Agarwal: Yes, so about the pellet demand, domestic demand is at the moment very good because the spongepriceshave reached all time high of Rs. 33000-34000 levels, so because of which the margin expanse is quite high in the domestic market and for export as I mentioned China is trying to reduce their carbon emission so they are trying to reduce their direct feed to the blast furnace which is a sinter. So, sinter is one of the most polluting industries, so the demand of pellet is going up every day and there is a huge demand of pellet in the Chinese as well as non-Chinese markets. So, I do not see any reason the demand is going to come down very soon because China winter season has started and now in February Olympics is going to be held, so China is very serious about the pollution, so demand of pellet will be on the upper side going forward as well.

DV Jalan: Our focus is on the domestic or export market?

Abhishek Agarwal: No, as I mentioned, with the current realizations we will be doing a 50-50 charge mix, 50% will stay in domestic and 50% we will be exporting our high-gradepellets.

Moderator: Thank you. The next question is from the line of Anuj from Anubhav Securities. Please go ahead.

Anuj: Good morning, everybody. My question here is, you know over the last quarter, that is ended 30th June, we had a profit toincome ratio of about 48%, 49%, which has now fallen to 27.5% or 28%, you mentioned that the coal that you have got has not really impacted you, your profitability so much because you are tied up till January, so what has caused such a steep decline in the margin and do we see these margins getting covered up or do we see this could be the new normal?

Dinesh Gandhi: See the margins, primarily the margins have gone down by about a Rs. 1000 reduction in the pellet realization as compared to or slightly more than the Rs. 1000 a ton as compared to the last quarter; this is number one. Last quarter we had certain inventories of the finished goods, you know which was sold during the current quarter and although the turnoverhas increased, the overall EBITDA has gone down primarily led by the drop in the volume as compared to the last quarter. So, you know, the slight drop in the margins from earlier quarter to this quarter is because of the volume drop, because of the reduction in the pellet realization and higher component of the finished steel sale, which is leading all to, because in our industry each and every item impacts the margin, absolute margin may not be calculated in the same manner as it was there in the last quarter. And pellet isone product where our margin component is very high, our cost of production is around Rs. 5000 a ton whereas the last quarter, the realization was more than Rs. 16, 000, Rs. 15, 000 a ton.So, that one product can impact the margin sizably for the company on an absolute basis.

Anuj: Thank you, yes that is understood. So, my query was more that, okay so based on the price and not anything else.

Dinesh Gandhi: Yes, because my cost remains same know, my cost is not changing, so my top line is impacting.

Anuj: So, what is the scenario now in the last one month that is gone and the two months coming forward? Are we looking at the same status quo, are we looking at an improvement?

Dinesh Gandhi: It will be more or less inthe line with the last quarter is of now.

Anuj: Okay, so one can look forward to about 25% to 28% kind of.

Dinesh Gandhi: Yes, long term margins.

Moderator: Thank you. The next question is from the line of Preeti Singh from Valley Investments. Please go ahead.

Preeti Singh: Sir my first question is, what is the status of the specialty steel plants that you wanted to set up and what is the rationale behind this plant?

Dinesh Gandhi: See, I think I already outlined the status of the project in my opening remarks. The project is currently on the drawing board, we are in the process of land acquisition and we plan to file for the environmental approval in the current quarter. The rationale for this project is to grow the business of the company, now since the company is debt free on the standalone basis and generating substantial cashflow, we want to deploy into the similar line of activities with definitely better value-added project and this investment will run through over a period of next 4 to 5 years, wherein the company plans to deploy its internal generation of the fund to grow the business of the company.

Preeti Singh: Okay, got it Sir and my next question is, so why has there been a dip in the Sponge iron production this quarter and when do you expect to receive the clearances to operate at a higher capacity?

Abhishek Agarwal: See for Sponge Iron, the production in marginally down, you that happens usually because the monsoon is never ideal season to operate the steel plant, you know the rains and this time speciallyrains have been quite heavy compared to previous years as you all are aware. So, if you take the marginal drop, which will be recovered going forward, Ido not see any issue there. And secondly, about the EC, the file is probably at the last stage now and we are confident we should get approval at this quarter, early next quarter.

Preeti Singh: Okay, got it. That is, it from my side, I will join again if I have any further question, thank you.

Moderator: Thank you. The next question is from the line of Vikash Singh from Phillip Capital. Please go ahead.

Vikash Singh: Thank you for giving me opportunity again. Sir, can you just tell us the Hira Ferro Alloys total EBITDA for the quarter. I understand that you have added for last two days only, so if you could give us the total quarterly EBITDA run rate for the entire Ferro Alloy and any expectations going forward?

Dinesh Gandhi: Mr. Bothra, do you have handy available?

Sanjay Bothra: That is there on the presentation, just a minute. The total EBITDA of Hira Ferro Alloys for the last quarter was Rs. 47.5 crore against Rs. 68 croreof previous year same quarterand immediately previous quarter, it was Rs. 28 crores.

Vikash Singh: Yes sir. So, sir this is the normalrun rate, where Rs. 47 crore we can expect going forward?

Dinesh Gandhi: Yes, as of now that is the market condition and mind you, the only Hira Ferro Alloys Limited consolidate only for the two days, that is for 29th of September, so the fullimpact of the consolidation of Hira Ferro Alloys has not reflected into the GPIL number which will start reflecting from the current quarter.

Abhishek Agarwal: And for that as far as the pellet business is concerned, the market has been on a upper trendmainly because China has started cutting down their capacities ofFerro Alloys because of Ferro Alloys being a high-powered melting unit. So, as everybody is aware, China is coming down heavily on powermelting unit because of the coal crisis, so pellet prices have been on the upper side, there has been impact because of the coke for the ferro alloys that we are using but still the margins are where it has been same as the last quarter, I would say.

Moderator: Thank you. The next question is from the line of Jaymant Manoj, an individual investor. Please go ahead.

Jaymant Manoj: Hi good morning. I wanted to check with you that why you are expanding or putting more investments in the power sector, I mean from the numbers it is very clear that the ROCE, return on capital from your power sector is much lower than that from the steel sector, so any thoughts on that?

Dinesh Gandhi: Yes, I got your point. So, investment in power is for the saving of the cost, it is not an IPP project. The investment which is proposed for about 170 MW of solar PB power plant is for replacing the grid power, the company is buying the grid power in the range of about Rs. 6 per unit and whereas the cost of generation from the solar without interest would be hardly about 30, 35 basis points and with interest in investments, it will not rise more than Rs. 2 per unit, so there is substantial saving expected. So, the investment in power is not an IPP wherein we want to see the ROE in the range of 15% or so, this is going to save substantial cost for the company.

Jaymant Manoj: Right, so if I can follow it up with this, the additional solar plant that youare setting up, that will be for your captive consumption.

Dinesh Gandhi: Yes, captive consumption.

Jaymant Manoj: And that will be replacing some of the grid power that you are drawing now?

Dinesh Gandhi: Yes, so that will help us achieving the carbon neutrality as well as replacing the high-cost grid power.

Jaymant Manoj: That makes sense, number one. Having said that, I mean in the current quarters and the previous quarters, the power sales that you are still doing, there is still some power sales you are doing, right?

Dinesh Gandhi: That is from our IPP solar, that 50 MW solar thermal power plant which we have in Godawari Energy and for which we are discussing about the divesting the stake, it is the sale of power from that company, there we have a fixed price PPA with NTPC Vidyut Vyapar Nigam. So, that is an independent project, yes. That we are in the, we are proposing to divest that investment.

Jaymant Manoj: Okay, that makes sense. Thank you.

Moderator: Thank you. The next question is from the line of Raj Nahar from Mili Consultants. Please go ahead.

Raj Nahar: Good morning. I have some questions regarding your beneficiationplant, now is it fully ready basically?

Abhishek Agarwal: See as far as the plant connection is concerns, which isRaipur,the plant is fully operational and we have obtained to seek the consentto operate from the local pollution board, so that plant is running now and as far as mines is concerned, so Dinesh mentioned, that will take about a year's time to commission the plant.

Raj Nahar: So, right now, what is the capacity of your beneficiation plant now?

Abhishek Agarwal: It is 3.28-million-ton throughput at Raipur.

Raj Nahar: That is right, okay and that new mine capacity will be how much?

Abhishek Agarwal: 6 million tons (approx).

Raj Nahar: And one more question sir, regarding this now are we able to realize better pricing as you have been telling that you will get about $25 extra for the high-grade pellet.

Abhishek Agarwal: We have been rising that very much, there is no doubt about it.

Raj Nahar: Okay, so going forward we are going to continue now get about $20, $25, $30 extra for ..

Abhishek Agarwal: Yes, definitely. Ourpremium product for the low aluminum and higher Fe, because of which we will keep getting higher premium from the market.

Moderator: Thank you. The next question is from the line of Srishti from Wellwin Consultant. Please go ahead.

Srishti: Hello, good morning,sir and thanks for the opportunity. I just have couple, so first question is on, I wanted to know about your current dividend policy and second, I wanted to know about the CAPEX plans we are having for the Ardent and what are the uses of that cashflows we are getting from there, that is it?

Dinesh Gandhi: See dividend policy is already announced, it is available on the company's website. We have already announced that we will distribute about 10% to 15% of the incremental cashflow for the dividend. As far as Ardent Steel is concerned, we are in the processof making an investment plan in that company and till the investment plan is completed, we are deploying the funds into the short-term instruments, so that as and when the investment plan is finalized the funds can be utilized there.

Moderator: Thank you. The next question is from the line of Anuj from Anubhav Securities. Please go ahead.

Anuj: Good morning again, thank you for answering all our questions so nicely and clearly. One question that we face from the investors always is, what are the triggers for the next quarter? So, I understand Ferro Alloy being clubbed with your balance sheet is one what are the potential other triggers that may lead to an upside in the next quarter, was my question, thank you.

Dinesh Gandhi: See near term trigger will be definitely higher production in the project because as you see the last quarter there was a drop in the volume because of the monsoon and during this period we utilized it for the routine maintenance period and maintenanceof the plant as well. So, definitely you can see, some improvement in the volume going forward in the immediate quarter. The major trigger in the medium term will definitely come from the solar project which we are in the process of commissioning over a period of next one year, then the impact of the higher captive mining and replacingthe ore which we were buying earlier from themarket and this is getting adjusted against the volatility in the finished product sizes. So, while there is an improvement, it may not reflect 100%, you know because of the volatility in the finished productsize but there are three, four triggers are there in the immediate future, the higher production from the captive Iron Ore Mine, leading to the lower cost, impact of the Ferro Alloys business, impact of the lower interest cost going forward on a y-o-y basis definitely that impact is going to reflect over a period of time. So, these are the near-term triggerfor the company.And then of course, the profitability will continue to be drive out by the pricing of the product in the market.

Anuj: Yes, that is the key trigger obviously.

Dinesh Gandhi: Yes.

Anuj: What is your gut feel on the prices, you think this China mess will help us?

Dinesh Gandhi: I think Abhishek has already outlined; we are quite confident that this pricing level where we are currently is likely to sustain over a medium period of time.

Moderator: Thank you. The next question is from the line of Shikhar Mundra from Vivog Commercial. Please go ahead.

Shikhar Mundra: I just missed the pricing of the pellet prices, so what were the prices in the second quarter and what is the current pellet prices?

Dinesh Gandhi: It is closer to the same about Rs. 13000 a ton.

Shikhar Mundra: Okay and what was the volume drop in the second quarter and how much is the volume expected in the third quarter?

Dinesh Gandhi: I think these numbers are there in the presentation you can have a look at it there.

Shikhar Mundra: Okay alright and for the solar plant what is our expected EBITDA to be generated from the 70 MW solar plant and when is the date of commissioning?

Dinesh Gandhi: See solar one project we are targeting 70 MW by next financial year that is April 2022 and rest of the 100 MW will come in the second half of the FY23.

Shikhar Mundra: And what is the EBITDA expected from this 70 and 100 MW?

Dinesh Gandhi: This project will generate about say, 70 MW project will generate close to about 10 crore unit and 10 crore unit will translate into Rs. 4 per unit, as against the current pricing, so Rs. 40 crore for enam of the additional EBITDA and similarly this new investment of170 MW will be on the same line. So, you can expect close to about Rs. 100 crore additional EBITDA going forward from the solar.

Moderator: Thank you. The next question is from the line of Jaymant Manoj an Individual Investor. Please go ahead.

Jaymant Manoj: I wanted to check on your strategy for coal sourcing IE, are you in a wait and watch mode or given the current circumstances do you have some longer-term forward plan on the coal availability, imports or bidding internally, is there something?

Abhishek Agarwal: Yes, for the coal price we have no issue because we have achieved volumes till end of January, early February which is almost 3 months from now on and the market has started going down drastically it has already dropped by $100 in last 2 weeks because of China's intervention and whenever we buy volumes we buy on index. So, if that index falls automatically the price starts going down. So, on the coal front we have no issues of sourcing as well as the pricing.

Jaymant Manoj: So, you will wait for the extending the ordersbeyond temporary?

Abhishek Agarwal: Yes, my next batch would come in start of January, which is almost 2 months from now on, so by then the prices will further cool down because of China's intervention.

Jaymant Manoj: And I may ask which countries you are importing the coal from?

Abhishek Agarwal: Australia and South Africa.

Jaymant Manoj: Because there is a political impact also.

Abhishek Agarwal: Yes, between China and Australia.

Moderator: Thank you. The next question is from the line of Anil Sharma from AB Capital. Please go ahead.

Anil Sharma: Sorry if I have missed out this earlier but just wanted to check on your plans in terms of Ardent steel, so are you planning to sell your entire stake in Ardent Steel or will you keep it maintained at this particular level only?

Dinesh Gandhi: We will maintain at this level.

Anil Sharma: Okay it will be maintained. And one more thing I wanted to check about that 30 MW of solar plant that is coming up, so what other capacities that are actually coming up in that particular location and where is that particular 30 MW coming?

Dinesh Gandhi: No, the 30 MW is coming in Chhattisgarh only. We have done a particular location of land identification and the acquisition is in process currently. But it will be somewhere in near to the Raipur division only.

Anil Sharma: Okay and lastly one more thing any inorganic growth opportunities in steel that you are looking at?

Dinesh Gandhi: Sorry come again.

Anil Sharma: Are you looking at any kind of inorganic growth opportunities in steel?

Dinesh Gandhi: Looking at our size and the investable surplus currently, there is no good project available as we understand, so if there is an opportunity, we are open to definitely looking at it.

Moderator: Thank you. Ladies and gentlemen that was the last question, I now hand the conference over to Mr. Dinesh Gandhi for his closing comments.

Dinesh Gandhi: Once again good morning, everyone. We have tried to answer all your queries in the call, if you have any more queries, you can directly reach us or our investment relation from GoIndia Advisors and we will be happy to answer all your questions. Thank you very much and thank you for your time.

Moderator: Thank you. Ladies and gentlemen on behalf of GoIndia Advisors LLP that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.