*Initiating Coverage*
SECTOR: METALS

# Godawari Power & Ispat

# Immense potential

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# Godawari Power & Ispat

| STOCK INFO. | BLOOMBERG |
|---|---|
| BSE Sensex: 18,853 | GODPI IN |
| | REUTERS CODE |
| S&P CNX: 5,609 | GDPI.BO |

23 November 2007 **Buy**

*Initiating Coverage* Rs263

| Y/E MARCH | 2007 | 2008E | 2009E | 2010E |
|---|---|---|---|---|
| Production ('000 tons) | 135 | 210 | 300 | 330 |
| Net Sales (Rs m) | 4,432 | 8,750 | 10,320 | 11,166 |
| EBITDA (Rs m) | 794 | 1,438 | 1,986 | 2,544 |
| PAT (Rs m) | 522 | 906 | 1,341 | 1,837 |
| Growth (%) | 39.9 | 73.5 | 48.0 | 37.0 |
| EPS (Rs) | 21.0 | 32.2 | 47.6 | 65.2 |
| EPS Growth (%) | -9.1 | 53.0 | 48.0 | 37.0 |
| BV/Share (Rs) | 72.6 | 126.9 | 169.9 | 229.2 |
| P/E (x) | 12.5 | 8.2 | 5.5 | 4.0 |
| P/BV (x) | 3.6 | 2.1 | 1.5 | 1.1 |
| EV/Sales (x) | 2.1 | 1.1 | 0.9 | 0.7 |
| EV/EBITDA (x) | 11.6 | 6.6 | 4.9 | 3.1 |
| RoE (%) | 29.0 | 25.3 | 28.0 | 28.4 |
| RoCE (%) | 14.2 | 18.7 | 22.7 | 27.9 |
| RoIC | 19.8 | 26.1 | 33.2 | 31.3 |

| KEY FINANCIALS | |
|---|---|
| Shares Outstanding (m) | 24.8 |
| Market Cap (Rs b) | 6.5 |
| Market Cap (US$ b) | 0.2 |
| Past 3 yrs. Sales Growth (%) | 60.3 |
| Past 3 yrs. NP Growth (%) | 88.8 |
| Dividend Payout (%) | 8.5 |
| Dividend Yield (%) | 1.1 |

| STOCK DATA | |
|---|---|
| 52-Week Range (H/L Rs) | 323/82 |
| Major Shareholders (as of September 2007) | (%) |
| Promoters | 63.4 |
| Domestic Institutions | 13.7 |
| FII/FDIs | 8.1 |
| Public | 14.8 |
| Average Daily Turnover | |
| Volume ('000 shares) | 140.4 |
| Value (Rs million) | 19.5 |
| 1/6/12 Month Rel. Performance (%) | 4/56/132 |
| 1/6/12 Month Abs. Performance (%) | 6/89/169 |

**Timely doubling of capacity to capitalize on strong steel cycle:** Godawari Power and Ispat Ltd. (GPIL) has recently nearly doubled capacity of sponge iron to 495,000tpa and that of steel billets to 400,000tpa. Captive power capacity too has increased from 28MW to 53MW. Timely completion of capacity expansion plans has enabled the company to capitalize on the current strong prices of steel products and sponge iron led by global shortage of 'metallics' and sea freight.

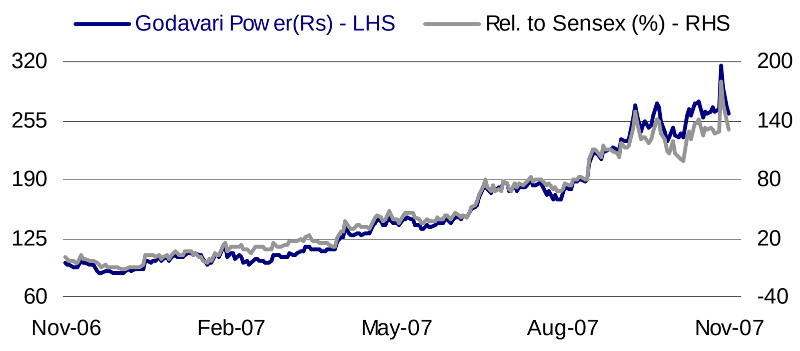
**Operating margins to improve, setting up pelletization plant:** GPIL is setting up a benefication and a 0.6mtpa pelletization plant to utilize iron ore fines, which is a cheaper substitute for calibrated lump ore (CLO) required for sponge iron production. This will bring down raw material costs substantially.

**Captive iron and coal mines to insulate from input price risk:** GPIL has been allotted both iron ore (reserves of 15m tons) and non-coking coal mines (reserves of 63m tons) to meet its requirement of raw materials which will bring down costs and insulate earnings from input price risk. Environmental clearances have been obtained and bank guarantee submitted. However, Forest clearance is still pending.

**Benefit of carbon credits (CERs) and sales tax exemption:** Unutilized sales tax benefit of Rs2.4b and CER income of ~Rs108m to prop up bottomline.

**Attractive valuations:** The stock trades at a P/E of 5.5x FY09E and P/BV of 1.5x FY09E (RoE of 28%).Valuations are attractive and the business model is robust. We initiate coverage on the stock and set a target price of Rs380/share (44.5% upside) based on P/E of 8x FY09.

STOCK PERFORMANCE (1 YEAR)



# Investment positives

## Mid-sized integrated player

Godawari Power & Ispat Ltd. (GPIL) incorporated in September 1999, is the flagship enterprise of the Hira Group of Industries. GPIL's facilities are located in Siltara industrial estate, near Raipur in Chattisgarh. GPIL is a mid-sized integrated player that produces steel via the sponge iron route and generates captive power (from waste gases produced at the kilns) to feed its induction furnaces. GPIL, whose product slate includes sponge iron, steel billets, steel wires, wire rods and ferro alloys, has been allotted coal and iron ore mines as well.

The billets thus produced are supplied to its subsidiary, R.R. Ispat (GPIL's holding: 100%) and associate company, Hira Steel (24%) that have wire rod mills with installed capacities of 100,000tpa each and wire drawing benches with installed capacities of 30,000tpa and 50,000tpa respectively.

## Timely doubling of capacity to ride the strong steel cycle

Timely completion of its capacity doubling plans is strategic and enables the company to capitalize on the strong steel product (billets and wires) and sponge iron prices currently ruling higher versus FY07 prices. The prices rule firm owing to the global shortage of iron bearing raw material (metallic) and surging sea freight.

CAPACITY EXPANSION AT CAPEX OF RS1.9B

| PRODUCT | CAP. (TPA) AS ON | | |
|---|---|---|---|
| | 31.3.06 | 31.3.07 | |
| Sponge Iron | 230,000 | 495,000 | The expansion project was carried out during FY '06 and FY '07. Last two kilns of 500tpd achieved ramp up in Apr & Aug 07. A major portion of the sponge iron produce is used in-house for the manufacture of steel billets, excess production sold in market. |
| Steel Billets | 250,000 | 400,000 | Induction furnaces provide flexibility of operation. About 50% is sold to subsidiary RRIL and group concern HSL for the manufacture of wire rods, balance in market. |
| Steel Wires | 60,000 | 120,000 | Wire rods (made from Billets) is purchased from RRIL and HSL serve as inputs to manufacture, Market sales. |
| Ferro Alloys | 16,500 | 16,500 | Contribute to the manufacture of Steel billets, excess sold. |
| Power | 28 MW | 53 MW | 41 MW of waste heat recovery generation eligible for carbon credits; balance 11 MW is coal based plant. Largely Captive, excess supply at present would be absorbed by proposed pelletisation plant. |

*Source: Annual report for FY07*

The company has completed a project to nearly double capacities by adding two kilns involving capex of Rs1.9b during 2006 and 2007. Two kilns with 500tpd capacity were commissioned in April and August 2007 respectively. Further, a 25MW captive power plant too was commissioned in the first half of FY08. Hence, we expect production to ramp up in the second half of FY08.

## Sales tax exemptions contribute 4% to EBITDA margin

The company is exempt from sales tax until FY12 or up to a maximum of 1.5x its gross investment in the project to FY06, whichever is earlier. GPIL had invested ~Rs2b (gross block + CWIP) by FY06 and is exempt to the extent of about Rs3b, of which only Rs600m has been utilized so far. GPIL is also eligible for income tax exemption under Section 80-IA of the I T Act for income realized from the captive power plant.

## Pelletization will expand margins further

The company has planned to set up a beneficiation and a 0.6mtpa pelletization plant at its facility in Siltara to capitalize on the low cost of iron ore fines v/s iron ore lumps and to utilize the fines produced at its iron ore mines in the near future. Post expansion, the focus is on improving operating efficiencies, reducing input costs and overcoming the risk of input prices.

CAPEX (RS2.35B)

| DESCRIPTION | CAPACITY ('000TPA) | COMM. | CAPEX (RS M) |
|---|---|---|---|
| **Raw Materials Mining** | | | |
| Iron ore (15m tons) | 800 | Jan-09 | 100 |
| Coal (63m tons) | 1,000 | Dec-09 | 250 |
| **Metallic** | | | |
| Ore beneficiation | 100 | Apr-09 | 120 |
| Pelletization | 600 | Apr-09 | 1,350 |
| Railways Siding & Infrastructure | | Sep-08 | 530 |
| **Total** | | | **2,350** |

*Source: Company*

**How pelletization helps**: Sponge iron kilns accept iron ore only in a particular size range. Hence the incidence of screen rejects being generated is as high as 24%. These iron ore rejects are consequently sold at substantially lower prices but not before raising the average cost of iron ore for the company to as much as 20-25%.

**Pelletization has a twofold beneficial impact:**

(a) Pelletization is a process which converts iron ore fines into pellets. These pellets can be used to produce sponge iron. Since iron ore fines are cheaper in comparison with iron ore lumps, pelletization of iron ore fines helps to reduce input prices.

(b) The beneficiation plant would, in turn, help to extract usable iron content from the iron ore slime. Such a plant produces 0.4x fines from the slime.

Plant infrastructure includes concretization of the plant area. Concretization aims to reduce ground losses while providing the basic infrastructure facilities. Currently we note raw materials are stored directly on the ground resulting in losses.

### Captive iron ore and coal mines to insulate from input price risk

The company has signed a memorandum of understanding (MoU) with the state government of Chhattisgarh to enhance steel making capacity to 1mtpa and has secured the allotment of both iron ore and non-coking coal mines to meet its raw material requirement. The Ari Dongri and Boria Tibu iron ore mines in Chhattisgarh have total reserves of 15m tonnes. Environmental clearance is already secured but clearance is awaited from the forest department of the state.

Ari Dongri has already been partially mined by SAIL and surrendered owing to its small size. Since the area has been previously explored, the company need not remove the overburden. Therefore, the company will be able to start mining quickly once all statutory clearances are in place. The company expects to start mining by January 2009 and would need to incur capex of Rs100m. We believe, once the mines are operational it could lead to significant reduction in raw material costs, as iron ore prices are ruling strong currently owing to the ongoing global shortage.

A consortium led by GPIL has been allotted a coal mine with 243m tonnes of total reserves, out of which GPIL's share is 63m tonnes. Four coal blocks of Nakia 1&2 and Madanpur 1&2 have been allotted to the consortium led by the company. Environmental clearances to flag off operations at these mines are in place and the bank guarantee has been submitted. However, forest clearance is still awaited. The company expects to start mining by end-2009 for which it would need to incur capex of Rs250m. The coal mines, when operational, will ensure regular and consistent quality of coal to the sponge iron kilns. This would result in reducing the consumption rates of raw materials thereby improving productivity. We have not factored the benefits in our projections.

### CER income up to Rs108m likely

The company has already secured 72,000 carbon emission receipts (CERs) for utilization of waste gases to generate 17MWcaptive power. Further, the company has already initiated a clean development mechanism (CDM) process for its 25MW captive power plant which will likely secure an additional 145,000 CERs. At average CER price of Euro12.5, the acquired CERs could generate income of ~Rs108m.

## Key beneficiary of rising cost curve of global industry

The rapid growth of steel production in China over several years, led by the local consumption, has driven demand and the prices of metallic and sea freight dramatically upward. The prices of 'metallic' have risen to an all-time high — iron ore to US$200/t; coke, US$450/t; steel scrap, US$400/t and coking coal, US$160/t. This has pushed the cost curve of the global industry upward.

Costs for domestic sponge iron producers have not moved in tandem with the global trend owing to local availability of non-coking coal at reasonable prices from Coal India. Further, domestic producers are also insulated from sea freight. We believe this advantage is likely to increase further when benchmarked annual contracts for iron ore are negotiated at higher levels by global miners for supply in 2008. GPIL's costs will further decline with the start-up of its captive mines of iron ore and coal. In contrast, the costs for global steel producers would remain high.

## Valuations are attractive

Capex of Rs2.35b to develop infrastructure, railway sidings, mines and the pelletization plant will be funded from internal accruals and an approximate Rs1b from equity dilution.

FUNDING THROUGH EQUITY RAISING

| | |
|---|---|
| Amount (Rs m) | 1,000 |
| Assumed issue price (Rs/share) | 300 |
| Premium (Rs/share) | 290 |
| (a) New Shares (m) | 3.3 |
| (b) Existing Shares (m) | 24.8 |
| **Diluted Share Capital (a+b)** | **28.2** |

*Source: Motilal Oswal Securities*

In our model, we have assumed the issue price to be Rs300 for the capital raising program of company. This will result in equity dilution of approximately 13.4% and lower the debt to equity ratio from 1.5x on March 2007 to 0.7x on March 2008.

We are not factoring the benefit of the iron ore and coal mines in our base case projection, as the company is yet to obtain forest department clearance. The pelletization plant is expected to start production by April 2009 and FY10 will be the first year of commissioning.

In a scenario of rapid steel production growth in China over several years, led by local consumption, which has driven demand as well as the prices of metallic and sea freight dramatically upward, GPIL's product realizations have moved up while it has remained fairly insulated from coal and sea freight due to its local sourcing of the raw material.

Margins are likely to expand further driven by operating efficiencies on the back of ramp-up of recent capacity expansion and pellet plant installation. We believe there will be substantial savings with development of the iron ore and coal mines. Margins are likely to improve substantially owing to availability of cheaper raw materials.

We initiate coverage on the stock and set a target price of Rs380/share (44.5% upside) based on P/E of 8x FY09.

TRENDS AND ASSUMPTIONS IN PRODUCTION

| | FY07 | FY08E | FY09E | FY10E | FY11E |
|---|---|---|---|---|---|
| **Production ('000 tons)** | | | | | |
| Sponge Iron | 170 | 325 | 360 | 400 | 450 |
| Pellets | - | - | - | 400 | 540 |
| Billets/Crude Steel | 135 | 210 | 300 | 330 | 360 |
| HB Wire | 54 | 84 | 96 | 108 | 108 |
| Power (MU) | | 167 | 334 | 334 | 334 |
| Ferro Alloys | 9 | 11 | 12 | 12 | 12 |

*Source: Company/Motilal Oswal Securities*

ASSUMPTIONS IN REALIZATIONS AND RAW MATERIALS COSTS

| | FY08E | FY09E | FY10E | FY11E |
|---|---|---|---|---|
| **Gross Realization (Rs/ton)** | | | | |
| Sponge Iron | 15,122 | 15,122 | 15,122 | 15,122 |
| Pellets | 6,979 | 6,979 | 6,979 | 6,979 |
| Steel Billets | 24,427 | 24,427 | 24,427 | 24,427 |
| HB Wire | 30,243 | 30,243 | 30,243 | 30,243 |
| Ferro Alloys | 52,344 | 52,344 | 52,344 | 52,344 |
| Power | 3.0 | 3.0 | 3.0 | 3.0 |
| **Raw Materials Purchased (Rs/tons)** | | | | |
| Iron Ore | 4,000 | 4,000 | 4,000 | 4,000 |
| Non Coking Coal | 2,500 | 2,500 | 2,500 | 2,500 |
| Coke | 14,000 | 14,000 | 14,000 | 14,000 |

*Source: Company/Motilal Oswal Securities*

# Integrated player

## A brief profile

Godawari Power & Ispat (GPIL) is an integrated player in manufacturing wire rods and ferro alloys. GPIL is a flagship company of the Raipur-based Hira group of industries. It is a leading producer of wires with 0.2mtpa capacity post completion of its expansion project at its Raigarh facility. The company is integrating backward via owning of mining leases in iron ore and coal mines.

The company has further plans to increase capacity to 250,000tpa of wire drawing ahead. It is also setting up a pelletisation plant to convert iron ore fines into pellets, which would be utilized to produce sponge iron. Carbon emission credits (CERs) earned by GPIL on its 42MW waste heat recovery power plant are expected to boost the bottomline significantly. The company's manufacturing facilities are located at Siltara industrial estate, near Raipur, Chhattisgarh.

SUBSIDIARIES STRUCTURE

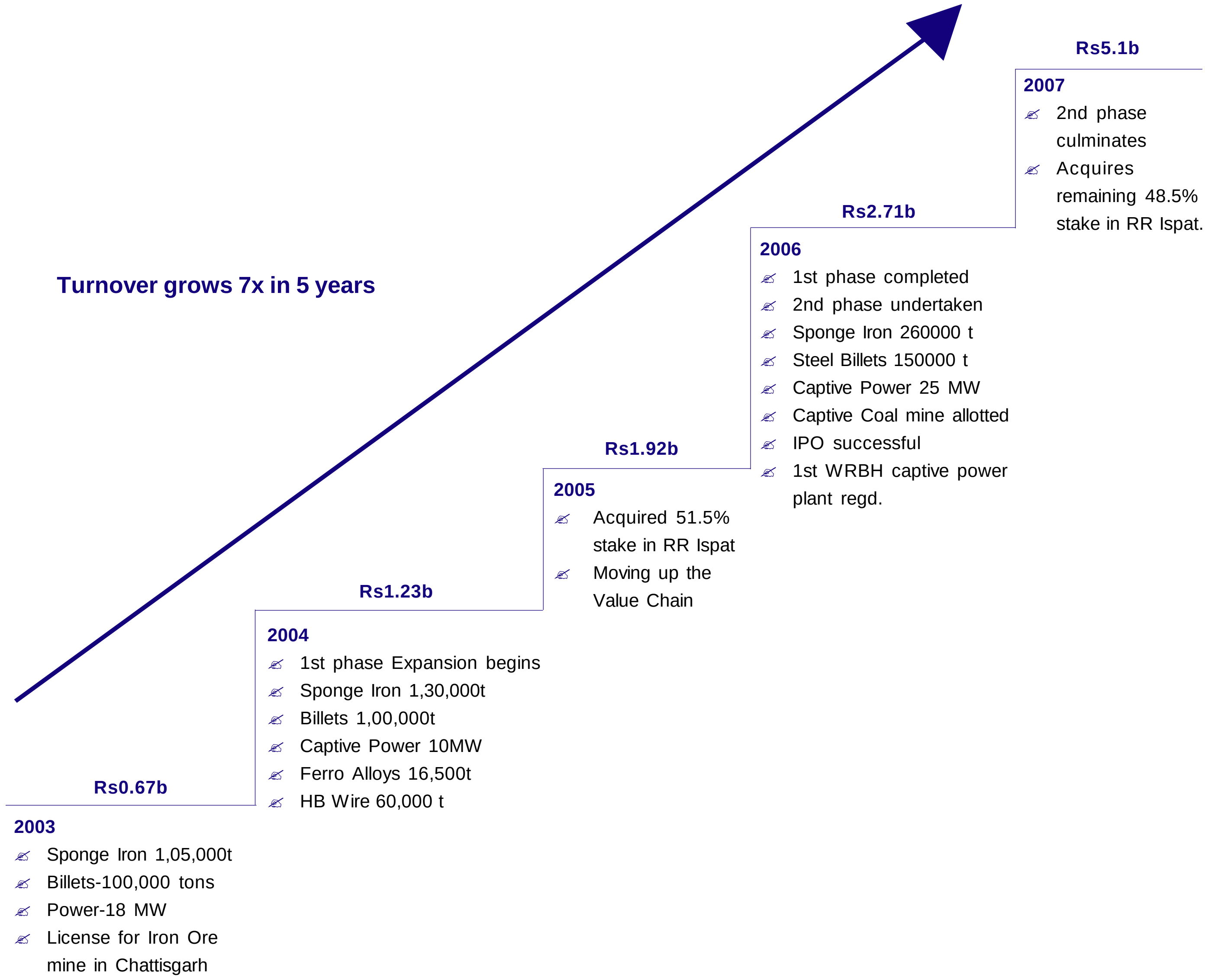
**Godawari Power & Ispat Ltd**
Sales: 5,099m, EBITDA: 794m; PAT: 522m

**R.R. Ispat Ltd**
(100% Stake)
Sales: 1,456m, EBITDA: 54m, PAT : 21m
**Capacity** - Wire Drawing: 30,000 ton,
Wire Rod: 1,00,000 ton

**Hira Steel**
(24% Stake)
Sales: 1,702 m, EBITDA: 18m, PAT: 6m
**Capacity** - Wire Drawing: 50,000,
Wire Rod 1,00,000 ton

*Source: Company/Motilal Oswal Securities*

TURNOVER GROWTH

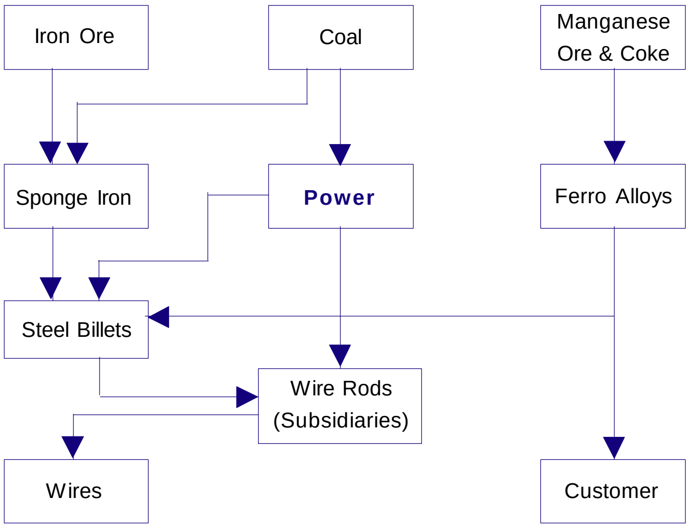



*Source: Company/Motilal Oswal Securities*

## Business model overview

GPIL's business model includes manufacturing of sponge iron from iron ore and coal, generating electric power through waste hot flue gases from the sponge iron plant, making steel billets by using captive power and sponge iron, followed by rolling of steel billets into wire rods via a subsidiary company and wire drawing from the wire rods. GPIL, therefore has a fully integrated value chain that manufactures mild steel wire from iron ore & coal, resulting in substantial value addition.

BUSINESS MODEL

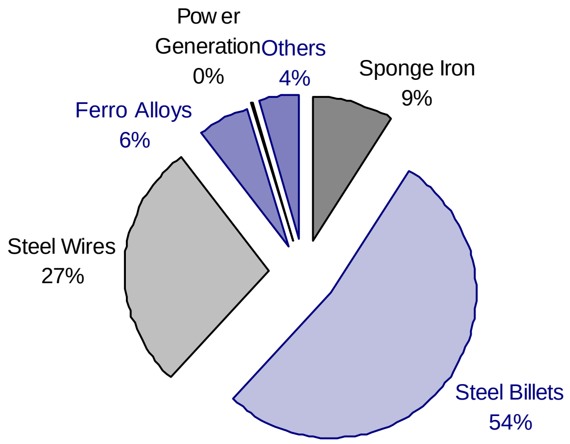



*Source: Company/Motilal Oswal Securities*

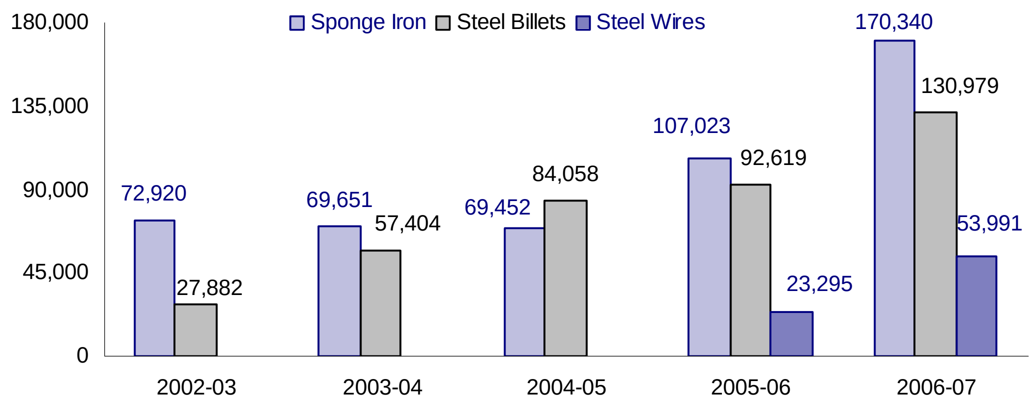
## Product mix

GPIL began operations as a sponge iron manufacturer in Raipur, Chattisgarh. Gradual diversification of its product mix took place by the production of steel billets, ferro alloys and wires. It is equipped with captive power and is therefore self sufficient in its power requirement for the steel manufacturing process. GPIL is committed to its strategy of moving up the value chain. The focus going forward will be to increase the share of the steel wire business versus billet sales and sponge iron, thereby enhancing operating margins. The company intends to utilize a significant portion of its upcoming sponge iron and billet producing capacity for captive purposes i.e. for manufacturing steel wires. GPIL also intends to get into manufacturing of other high value added products such as carbon steel wire and power transmission wire.

SEGMENTAL REVENUE




PRODUCTION TREND




*Source: Company/Motilal Oswal Securities*

| INCOME STATEMENT | | | | | (RS MILLION) |
|---|---|---|---|---|---|
| **Y/E MARCH** | **2006** | **2007** | **2008E** | **2009E** | **2010E** |
| Net Sales | 2,335 | 4,432 | 8,750 | 10,320 | 11,166 |
| *Change (%)* | *35.2* | *89.8* | *97.4* | *18.0* | *8.2* |
| Total Expenses | 1,975 | 3,638 | 7,325 | 8,334 | 8,623 |
| | | | | | |
| **EBITDA** | **360** | **794** | **1,425** | **1,986** | **2,544** |
| *% of Net Sales* | *15.4* | *17.9* | *16.3* | *19.2* | *22.8* |
| Depn. & Amortization | -88 | 109 | 200 | 204 | 332 |
| EBIT | 448 | 685 | 1,225 | 1,782 | 2,212 |
| Net Interest | 60 | 117 | 250 | 315 | 197 |
| Other income | 9 | 22 | 33 | 44 | 55 |
| | | | | | |
| **PBT** | **397** | **590** | **1,008** | **1,511** | **2,070** |
| Tax | 23 | 68 | 114 | 170 | 233 |
| *Rate (%)* | *5.9* | *11.5* | *11.3* | *11.3* | *11.3* |
| | | | | | |
| **Reported PAT** | **373** | **522** | **894** | **1,341** | **1,837** |
| **Adjusted PAT** | **373** | **522** | **894** | **1,341** | **1,837** |
| *Change (%)* | *54.8* | *39.9* | *71.2* | *50.0* | *37.0* |

*E: MOSL Estimates*

BALANCE SHEET (RS MILLION)

| Y/E MARCH | 2006 | 2007 | 2008E | 2009E | 2010E |
|---|---|---|---|---|---|
| Share Capital | 162 | 248 | 282 | 282 | 282 |
| Reserves | 814 | 1,803 | 3,564 | 4,773 | 6,445 |
| Share Holders Funds | 975 | 2,051 | 3,846 | 5,055 | 6,727 |
| Loans | **1,615** | **2,775** | **2,775** | **2,775** | **1,175** |
| Secured | 1,442 | 2,775 | 2,775 | 2,775 | 1,175 |
| Unsecured | 173 | | | | |
| **Capital Employed** | **2,590** | **4,826** | **6,621** | **7,830** | **7,902** |
| | | | | | |
| Gross Block | 1,593 | 2,910 | 3,910 | 4,540 | 6,460 |
| Less: Accum. Deprn. | 174 | 282 | 482 | 686 | 1,018 |
| **Net Fixed Assets** | **1,419** | **2,629** | **3,429** | **3,855** | **5,443** |
| Capital WIP | 471 | 1,032 | 1,032 | 1,752 | 32 |
| Investments | 94 | 209 | 209 | 209 | 209 |
| | | | | | |
| **Curr. Assets** | **809** | **1,392** | **2,761** | **2,953** | **3,226** |
| Inventories | 422 | 711 | 1,318 | 1,555 | 1,683 |
| Sundry Debtors | 160 | 235 | 479 | 566 | 612 |
| Cash and Bank | 31 | 120 | 637 | 506 | 606 |
| Loans and Advances | 197 | 326 | 326 | 326 | 326 |
| | | | | | |
| **Curr. Liability & Prov.** | **211** | **435** | **809** | **938** | **1,008** |
| Sundry Creditors | 172 | 346 | 719 | 848 | 918 |
| Other Liabilities & prov. | 39 | 90 | 90 | 90 | 90 |
| **Net Current Assets** | **598** | **957** | **1,952** | **2,015** | **2,219** |
| | | | | | |
| Misc. Exp. (not w/off) | 9 | 0 | 0 | 0 | 0 |
| **Application of Funds** | **2,590** | **4,826** | **6,621** | **7,830** | **7,902** |

*E: MOSL Estimates*

RATIOS

| Y/E MARCH | 2006 | 2007 | 2008E | 2009E | 2010E |
|---|---|---|---|---|---|
| **Basic (Rs)** | | | | | |
| **EPS** | **23.1** | **21.0** | **31.7** | **47.6** | **65.2** |
| Cash EPS | 17.7 | 25.4 | 38.8 | 54.8 | 77.0 |
| BV/Share | 49.8 | 72.6 | 126.5 | 169.4 | 228.8 |
| DPS | 1.5 | 3.0 | 3.0 | 4.0 | 5.0 |
| Payout (%) | 7.6 | 16.3 | 11.1 | 9.8 | 9.0 |
| **Valuation (x)** | | | | | |
| P/E | | 12.5 | 8.2 | 5.5 | 4.0 |
| Cash P/E | | 10.4 | 6.7 | 4.8 | 3.4 |
| P/BV | | 3.6 | 2.1 | 1.5 | 1.1 |
| EV/Sales | | 2.1 | 1.1 | 0.9 | 0.7 |
| EV/EBITDA | | 11.6 | 6.6 | 4.9 | 3.1 |
| Dividend Yield (%) | | 1.1 | 1.1 | 1.5 | 1.9 |
| EV/ton (US$/ton) | | 1716 | 1145 | 813 | 609 |
| **Return Ratios (%)** | | | | | |
| EBITDA Margins | 15.4 | 17.9 | 16.3 | 19.2 | 22.8 |
| Net Profit Margins | 16.0 | 11.8 | 10.2 | 13.0 | 16.4 |
| RoE | 46.4 | 29.0 | 25.1 | 28.1 | 28.5 |
| RoCE | 17.3 | 14.2 | 18.5 | 22.8 | 28.0 |
| RoIC | 22.5 | 19.8 | 25.8 | 33.2 | 31.3 |
| **Working Capital Ratios** | | | | | |
| Fixed Asset Turnover (x) | 1.5 | 1.5 | 2.2 | 2.3 | 1.7 |
| Asset Turnover (x) | 0.9 | 0.9 | 1.3 | 1.3 | 1.4 |
| Debtor (Days) | 25 | 19 | 20 | 20 | 20 |
| Inventory (Days) | 66 | 59 | 55 | 55 | 55 |
| Creditors (Days) | 27 | 28 | 30 | 30 | 30 |
| **Growth (%)** | | | | | |
| Sales | 35.2 | 89.8 | 97.4 | 18.0 | 8.2 |
| EBITDA | -3.7 | 120.4 | 79.6 | 39.4 | 28.1 |
| PAT | 54.8 | 39.9 | 71.2 | 50.0 | 37.0 |
| **Leverage Ratio (x)** | | | | | |
| Current Ratio | 3.8 | 3.2 | 3.4 | 3.1 | 3.2 |
| Interest Cover Ratio | 7.5 | 5.8 | 4.9 | 5.7 | 11.2 |
| Debt/Equity | 2.0 | 1.5 | 0.6 | 0.5 | 0.1 |

*E: MOSL Estimates*

| CASHFLOW STATEMENT | | | | | (RS MILLION) |
|---|---|---|---|---|---|
| Y/E MARCH | 2006 | 2007 | 2008E | 2009E | 2010E |
| Pre-tax Profit | 397 | 590 | 1,008 | 1,511 | 2,070 |
| Depreciation | -88 | 108 | 200 | 204 | 332 |
| (Inc)/Dec in Wkg. Cap. | -249 | -269 | -479 | -194 | -104 |
| Tax Paid | -23 | -68 | -114 | -170 | -233 |
| Other Operating Activities | -6 | 561 | | | |
| **CF from Op. Activity** | **31** | **921** | **615** | **1,351** | **2,064** |
| | | | | | |
| (Inc)/Dec in FA + CWIP | -759 | -1,878 | -1,000 | -1,350 | -200 |
| (Pur)/Sale of Investments | -3 | -115 | | | |
| **CF from Inv. Activity** | **-761** | **-1,993** | **-1,000** | **-1,350** | **-200** |
| | | | | | |
| Equity Raised/(Repaid) | | 87 | 1,000 | | |
| Debt Raised/(Repaid) | 779 | 1,160 | | | -1,600 |
| Dividend (incl. tax) | -28 | -85 | -99 | -132 | -165 |
| **CF from Fin. Activity** | **751** | **1,162** | **901** | **-132** | **-1,765** |
| | | | | | |
| **(Inc)/Dec in Cash** | **20** | **89** | **516** | **-131** | **100** |
| Add: Opening Balance | 11 | 31 | 120 | 637 | 506 |
| **Closing Balance** | **31** | **120** | **637** | **506** | **606** |

*E: MOSL Estimates*

**N O T E S**

# N O T E S

# NOTES

For more copies or other information, contact
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| Disclosure of Interest Statement | Godawari Power & Ispat |
|---|---|
| 1. Analyst ownership of the stock | No |
| 2. Group/Directors ownership of the stock | No |
| 3. Broking relationship with company covered | No |
| 4. Investment Banking relationship with company covered | Yes |