







Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Growing stronger together

At Godawari Power & Ispat, growth is the result of articulating the right business strategies at the right time anticipating market dynamics and following a focused and disciplined approach.

The Company reported attractive growth through a strategic shift in its approach and the integration of operations from iron ore mining to pelletisation to value-added steel manufacture and captive power generation. The Company adopted new production technologies, efficiently utilised natural resources, graduated to a high governance standard, served the community around its business locations and enhanced environment, health and safety awareness.

These initiatives made it possible for Godawari to grow profitably and sustainably even in challenging economic environments.

The result: growth in topline at a CAGR in revenues of 19.49% and EBIDTA 12.58% over the five years leading to 2012-13.

Growing stronger together... through a presence across the value chain

AT GODAWARI POWER, THE PHILOSOPHY 'GROWING STRONGER TOGETHER' IS A REFERENCE TO OUR FOCUS ON AN INTEGRATED MANUFACTURING PROCESS, WHERE ONE PRODUCT BECOMES THE RAW MATERIAL FOR ANOTHER, RESULTING IN AN INTER-LINKED VALUE-ADDED CHAIN THAT ENHANCES MARGINS AND REVENUES.

• Our integrated business model (backward and forward integration), comprises iron ore mining, as well as the manufacture of pellets, billets, ferroalloys and power, whereby all products are used for captive consumption and merchant sales. The Company derives revenue across its product range, while consuming a part of the output for value-addition. This integration of the business translated into an ability to capture a larger slice of the value chain, address diverse markets based on their respective margins and effectively derisk the business modal.

The result: The Company's consolidated topline increased 14.38% and net profit 76.59% in 2012-13.

Besides, in view of the cyclical nature of the steel industry and fluctuating margins, the Company extended its business into the solar power generation segment, which is expected to generate precious positive cash flow for next 25 years backed by a long-term fixed price power purchase agreement with NVVN (the project was successfully commissioned in June 2013).



The GPIL value chain

Iron ore mining

Pelletisation

Sponge iron

Power





Growing stronger together... enriching stakeholders

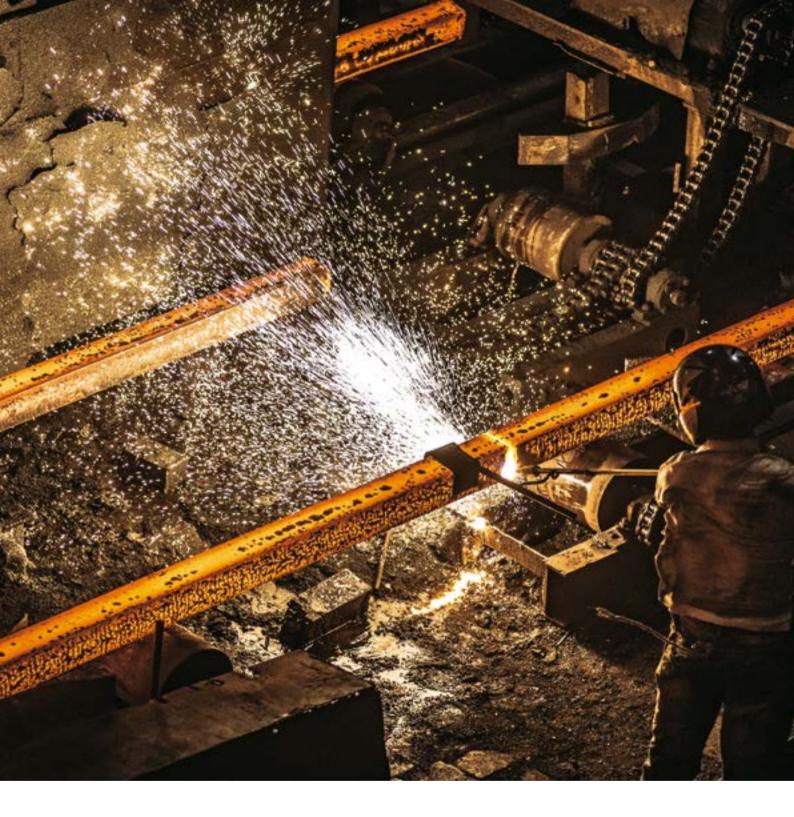
AT GODAWARI POWER, THE PHILOSOPHY 'GROWING STRONGER TOGETHER' IS A REFERENCE TO THE FACT THAT WE HAVE ENRICHED OUR STAKEHOLDERS IN AN ATTRACTIVE WAY THROUGH THE LENGTH OF OUR EXISTENCE.

Shareholders: The consolidated book value of the equity shares of the Company increased from ₹66.88 as on 31st March, 2006 (at the time of IPO in April, 2006 at a price of ₹81 per share) to ₹241.30 per share as on 31st March, 2013, enhancing value by 260.79% for all those who own shares in the Company. However, the market capitalisation does not reflect its true value due to adverse market conditions and an unfavourable industry scenario. Employees: The Company has grown from a 413-member organisation in 2005-06 to 1,784 in 2012-13; our salary outgo increased from ₹2.86 crore to ₹36.87 crore during the period.

Community: The Company undertook various community engagements that enhanced the quality of life around its operational areas. These engagements comprised educational, healthcare, infrastructural development and drinking water projects.

Government: The Company contributed ₹211.24 crore in revenues to the exchequer in FY13, which increased by 1,313% from ₹14.95 crore in 2005-06.







The Company derives revenues across its product range, while consuming a part of the output for captive value-addition.

Growing stronger together... through environmental responsibility

AT GODAWARI POWER, THE PHILOSOPHY 'GROWING STRONGER TOGETHER' IS ALSO A REFERENCE TO THE ENVIRONMENT-FRIENDLINESS OF OUR OPERATIONS, RECONCILING OUR GROWTH WITH THE ECOLOGICAL ASPIRATIONS OF THE NEIGHBOURING COMMUNITY, SOCIETY AND WORLD.

• The Company generates power from renewable energy resources such as waste heat gases from sponge iron plant, - biomass (rice husk), solar and wind energy among others. This helped eliminate extensive dependence on grid power on the one hand and create additional revenue through the merchant sale of power, carbon credits and renewable energy certificates (RECs) on the other.

► In addition, the Company invested in coal gasification for use in steel plants, resulting in the elimination of waste gas emissions into the atmosphere and curtailing costs via the use of alternative fuels, which are less costlier as compared to conventional fossil fuel. The Company's philosophy of gainful utilisation of waste is not only helping it generate revenue but also protecting the environment.

The result: The amount of power generated by the Company from renewable energy increased from nil in 2007-08 to 22.76 MW in 2012- 13.







The Company's philosophy of gainful utilisation of waste is not only helping it generate revenue but also protecting the environment.

FINANCIAL HIGHLIGHTS

