



GODAWARI POWER AND ISPAT LTD.

Buy at CMP: Rs 263 | Target: Rs 299 (14%) | SL: Rs 249

Sector

Oct 27, 2025

Iron & Steel

GPIL, formerly Ispat Godawari Ltd., is the flagship Raipur-based Hira Group steel company, established in 1999, specializing in long products, mainly mild steel wire, with integrated steel and captive power operations.

Investment Rationale

- ♦ **Integrated steel value chain with captive resources driving efficiency and cost savings:** GPIL is a fully integrated steel producer with strong backward linkages. Its two captive iron ore mines meet ~85% of requirements, while 98 MW of captive power (waste heat, biomass, and coal) and 100 MW of solar capacity ensure energy self-sufficiency. Another 70 MW solar project is underway to support pellet expansion. The company also has a Coal India supply tie-up. Forward integration into wire rods and HB wires diversifies revenue and boosts margins. Co-located beneficiation and rolling mills cut transport and reheating costs, while a new beneficiation plant will further reduce logistics and royalty expenses, enhancing profitability.
- ♦ **Strong Growth Visibility Backed by Integrated Expansion and Margin Accretion:** GPIL's expansion across mining, pellets, and downstream products provides strong earnings visibility, with 2 MTPA pellet capacity, Boria Tibu mining resumption, and Ari Dongri's 6 MTPA expansion driving 20-25% volume growth in FY26. Its fully integrated value chain enables operating leverage, industry-leading EBITDA margins (24% in Q1FY26), and sustainable cash flows despite price volatility.
- ♦ **Diversified Growth Drivers with High ROI, Capital-Efficient Projects:** GPIL's ₹1,600 Cr CAPEX into the Cold Rolling Mill and Battery Energy Storage System diversifies it into high-margin, future-ready segments VAD steel and renewable energy storage. With low leverage <0.5x, strong internal funding, and BESS ROIs of 40-50%, these projects boost profitability and cash flow. Projected FCF of ₹3,000 Cr (FY27-FY28) enables self-funded growth for the ₹4,500-₹5,000 Cr greenfield steel project, driving long-term value with minimal balance-sheet risk.
- ♦ **Valuations:** We model a Revenue/PAT CAGR of 20%/25% and estimate GPIL to clock PAT of Rs 9,289 Cr by FY28E. is trading at forward P/E(x) of 11x and we value at 13(x) FY28E and Recommend BUY on GPIL with target Price of Rs. 299 (14%).

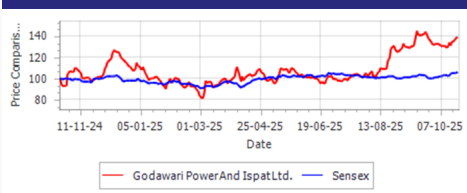
Script Details

BSE Group	A
BSE Code	532734
NSE Code	GPIL
Bloomberg Code	GODPI IN
Market Cap (INR Cr.)	17,360
Free Float (%)	36.6%
52wk Low/High	278/146
Beta (1yr Nifty 50)	0.98
Face Value (INR)/ D. Yield (%)	1/0.5
Total paid Up Shares (Mn.)	669.6

Share Holding Pattern (%)

Promoters	Public	Others
63.4%	36.6%	-

Share Price Relative Performance



Invest Now

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	5,753	1,158	793	21.9	14.9
FY24	5,455	1,328	935	18.6	13.0
FY25	5,376	1,194	812	21.4	14.4
FY26E	6,451	1,419	1,097	15.8	12.1
FY27E	7,741	1,703	1,316	13.2	10.1
FY28E	9,289	2,044	1,579	11.0	8.4

Source: Company Data, Ace Equity, GEPL Research

Observation

- GPIL has been forming a series of higher tops and bottoms on the monthly scale since 2020, reflecting a sustained uptrend. During this period, the stock has shown phases of time-wise consolidation following sharp rallies.
- A similar pattern has emerged recently, as after a strong upmove from June 2023 to June 2024, the stock entered a healthy consolidation phase and has now registered a breakout from a 14-month congestion zone.
- On the weekly scale, it has taken support near the 38.2% Fibonacci retracement level of the prior rally from 174 to 278. On the daily scale, the stock is showing a bullish mean reversion from the 50-DEMA, forming a fresh base pattern that signals the continuation of bullish momentum across timeframes.
- The MACD indicators remain in buy mode, further reinforcing the positive outlook.
- Given this robust alignment across multiple timeframes, the stock looks poised to advance toward an upside target of 295, while a closing-basis stop loss at 249 is advised to manage risk effectively.



TradingView

Source: Tradingview.in, GEPL Research

Inference & Expectations

- Considering these factors, it can be inferred that GPIL stock is set to continue uptrend.
- Going ahead we expect the prices to move higher till 299 level.
- The stop loss must be at 249 level, strictly on the closing basis.

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