

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	23548	23231	23851	23683	24985	23235-23722	Sell at CMP. Targets at 23231/22900. Aggressive targets at 22650-22700. Stop at 23722
BANK NIFTY	54239	52700	55000	54476	57022	52900-54900	Sell at CMP. Targets 52922/51651. Aggressive targets at 50900. Stop at 55300.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
GPIL	288	239	355	286	259	Positive	GPIL is one of India's leading integrated steel manufacturers with operations spanning iron ore mining, pellet production, sponge iron, steel billets, ferro alloys, power generation, and value-added steel products. The company benefits from strong backward integration through captive iron ore mines and power assets, helping it maintain healthy margins even during cyclical downturns. Look to buy at CMP, and on dips between 250-265 zone, targeting 321/355, and then aggressive targets at psychological 400 mark. Stop below 239. Holding Period 9-12 Months.

Godawari Power & Ispat (GPIL):	BUY
CMP	288
Target Price	369
Stop	239
52 Week H/L	320/175
P/E	23.8
EPS (TTM)	13.69
Promoter Holding/FIIs/DIIs/FIIs/Public	63.34%/5.94%/2.63%/28.09%
Book Value	86.50
Market Cap (INR)	19378

Godawari Power & Ispat (GPIL): Technically Massive Breakout Play on Cards.

Godawari Power & Ispat (GPIL): GPIL is one of India's leading integrated steel manufacturers with operations spanning iron ore mining, pellet production, sponge iron, steel billets, ferro alloys, power generation, and value-added steel products. The company benefits from strong backward integration through captive iron ore mines and power assets, helping it maintain healthy margins even during cyclical downturns.

GPIL remains one of the stronger mid-sized integrated steel players in India, backed by captive mining assets, healthy cash generation, and a debt-light balance sheet. The company's aggressive expansion strategy, coupled with diversification into renewable energy and battery storage, provides a potential long-term growth runway. GPIL appears well-positioned to benefit from India's infrastructure, manufacturing, and energy transition themes over the coming years.

Daily Chart of GPIL :



Q4 FY26 Financial Highlights

GPIL delivered a strong set of Q4 FY26 numbers, supported by higher sales volumes, improved realizations, and operational efficiencies. Key Highlights:

- Consolidated revenue from operations rose 9.7% YoY to approximately Rs 1,610 crore.
- Consolidated net profit surged 32.5% YoY to around Rs 293 crore.
- EBITDA improved significantly with margins expanding to nearly 27%.
- Profit before tax increased 32% YoY to Rs 390 crore.
- Operating cash flows remained strong, supporting future expansion plans.
- The company maintained a net cash position, reflecting a healthy balance sheet.

FY26 Performance:

- Consolidated revenue of around Rs 5,381 crore.
- Consolidated PAT of approximately Rs 801 crore.
- EBITDA of about Rs 1,253 crore.
- Operating cash flow increased nearly 29% YoY.
- Net cash position stood at approximately Rs 837 crore.

Key Growth Drivers

1. Captive Iron Ore Mining Advantage

GPIL's captive mining operations continue to provide a major cost advantage versus non-integrated steel producers. Stable raw material availability supports margin resilience across cycles.

2. Pellet & Steel Capacity Utilization

Management reported strong production performance across pellets, sponge iron, structural steel, and ferro alloy segments, with several units operating near optimal utilization levels.

3. Expansion Into Value-Added Steel

The company is gradually increasing its focus on higher-margin steel products, which could improve profitability and reduce dependence on commodity-grade steel pricing.

4. Renewable Energy & BESS Opportunity

GPIL is investing in battery energy storage systems (BESS) and renewable energy initiatives through subsidiaries, positioning itself to benefit from India's energy transition theme.

Major Expansion Plans

Management has approved a large-scale expansion roadmap including:

- Proposed integrated steel plant investment of approximately Rs 7,000 crore.
- Expansion of downstream steel capacities.
- Renewable energy and battery storage projects.
- Mining and infrastructure development initiatives.

Management Guidance

Management expects:

- FY27 revenue to exceed Rs 6,000 crore.
- EBITDA margins to remain in the 24-25% range.
- Continued focus on operational efficiency and value-added product growth.
- Long-term revenue aspiration of around Rs 30,000 crore by FY31.

Key Positives

- ✓ Strong integrated business model.
- ✓ Captive iron ore and power assets provide cost leadership.
- ✓ Net cash balance sheet.
- ✓ Healthy cash flow generation.
- ✓ Large expansion pipeline for future growth.
- ✓ Increasing exposure to renewable energy and energy storage segments.

Key Risks

- ✗ Steel prices remain cyclical and sensitive to global demand.
- ✗ Rising fuel and logistics costs can impact margins.
- ✗ Large capex execution carries implementation risks.
- ✗ Geopolitical developments and commodity price volatility could affect profitability.

Preferred trade on Godawari Power & Ispat (GPIL):

Look to buy at CMP, and on dips between 250-265 zone, targeting 321/355, and then aggressive targets at psychological 400 mark. Stop below 239. Holding Period 9-12 Months.

Mehta Equities

903 Lodha Supremus, Dr. E Moses Road, Worli Naka, Mumbai - 400 018 Board: +91-22-61507100/101 Fax: +91-22-61507102