INDIAN METALS & FERRO ALLOYS LIMITED

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11th November 2026

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| The Listing Department<br>National Stock Exchange of India Ltd.<br>Exchange Plaza<br>Plot No.C/1, G. Block<br>Bandra-Kurla Complex<br>Bandra (E)<br>Mumbai-400051<br>**Stock Symbol & Series : IMFA, EQ** | The Deputy General Manager<br>(Corporate Services)<br>BSE Limited<br>Floor 25, P.J. Towers<br>Dalal Street, Fort<br>Mumbai-400001<br>**Stock Code : 533047** |

**Sub : Earnings Call Transcripts**

Dear Sir / Madam,

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio call recording of the Company's Investor/ Analyst Call held on 4th November 2026 on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended 30th September 2026 is attached herewith.

You are requested to take the same on record.

Thanking you

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD

(Smruti Ranjan Ray)
Company Secretary & Compliance Officer
Membership No: F4001

Encl : As above.

# “Indian Metals & Ferro Alloys Limited
# Q2 & H1 FY27 Earnings Conference Call”

## November 04, 2026

**MANAGEMENT:** **MR. SUBHRAKANT PANDA – MANAGING DIRECTOR**
**MR. SAUNAK GUPTA – CHIEF FINANCIAL OFFICER**
**MR. BIJAYANANDA MOHAPATRA – WHOLE-TIME DIRECTOR AND CHIEF OPERATING OFFICER**

**MODERATOR:** **MR. VISHAL BHALADA –ADFACTORSPR**

**Moderator:** Ladies and gentlemen, good day and welcome to Indian Metals & Ferro Alloys Limited Q2 and H1 FY27 Earnings Conference Call, hosted by Adfactors PR. 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 call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Bhalada from Adfactors PR. Thank you, and over to you, sir.

**Vishal Bhalada:** Thank you, Yousuf. Good evening, everyone, and thank you for joining us today on the Indian Metal & Ferro Alloys Limited earnings conference call for the second quarter and half year ended 30th September 2026. Today, we have with us Mr. Subhrakant Panda, Managing Director, Mr. Saunak Gupta, Chief Financial Officer, and Mr. Bijayananda Mohapatra, Whole-Time Director and Chief Operating Officer.

We will begin the call with the opening remarks by Mr. Subhrakant Panda, who will provide an overview of the company's business performance, the operational developments, and the outlook on the business. This will be followed by the question-and-answer session.

Before we begin, I would like to remind everyone that certain statements made today or discussed on today's call may be forward-looking in nature, and should be viewed in conjunction with the risks and uncertainties that the company faces.

A detailed explanation of the risk is included in the earnings presentation that has already been shared on the stock exchanges. The company does not undertake any obligation to publicly update these forward-looking statements.

With that, I would now like to hand over the call to Mr. Subhrakant Panda. Over to you, sir.

**Subhrakant Panda:** Thank you very much, and good afternoon, ladies and gentlemen. A warm welcome from my side and on behalf of IMFA to this investor call for Q2 FY 27 results, which were approved by the board a couple of hours earlier. I will keep my opening remarks brief and then jump into the Q&A session, which is where most value is there for you as well as for us.

In terms of our Q2 performance and H1 FY27 performance, these are noticeably higher than the corresponding periods from the previous year. And that is, of course, on account of two things. One, that there is significant capacity addition, which has come online. And secondly, that prices in general have been better than they were in the corresponding period last year.

In terms of capacity, as you know, we started operating KNR-2, which is the unit acquired from Tata Steel. We started operating that from March of this year. We have steadily increased production over there. Initially, in the first half of the year, production was slightly lower than we had planned. And I had shared the reasons for that in the last call, which is that in two sets of transformers in two furnaces, the transformer parameters were not ideal and therefore, we were limiting load a little bit.

But I'm glad to report that in the month of October, we have reached a rated capacity of roughly about 84,000 tons per annum production, which will go up to the full rated capacity of about 100,000 tons per annum from the existing four furnaces by December, when we will complete the changing of the transformers in the two furnaces.

That being said, as far as our greenfield unit is concerned, KNR-1, the first furnace achieved hot metal tapping on August 25th, and we have already initiated pre-commissioning activities for the second furnace, and we are expecting hot metal tapping around the 15th of November, give or take a little a few days, but we are there and thereabouts, which means that the third quarter is a significant period for us where we expect to cross 100,000 tons of output in the quarter for the first time.

I think market continues to be strong. While prices have moderated a little bit from Q1 to Q2, and we see a slight moderation happening in Q3 as well. And equally, I think certain raw material prices like metallurgical coke are starting to move up, but again, that is not unexpected when you see significant margins in the ferrochrome industry, then upstream, there is that tendency for prices, raw material prices to move up a little bit.

Luckily, we are mostly sort of insulated from that because the biggest impact comes from chrome ore, which is of course in-house for us. But even with a marginal moderation of margins going ahead, we have more than sufficient volume to see that in absolute terms, we outperform.

But overall, I remain confident about where the industry stands. While South Africa is scaling up output, but we expect that China will, I mean, output of ferro chrome from China will reduce. So we remain confident about the industry and we remain especially confident by God's grace about IMFA's own position, where we have worked very hard to build resilience and competitiveness into the business model. And we are realizing the benefits of that now.

One quick point, we have, of course, you would have seen in the press release that the board has approved the capex of about INR375 crores for two things. One to increase the chrome ore ranging from Mahagiri underground mines from 6 lakh tons to 7.5 lakh tons. Eventually, this will take our total output beyond 1.2 million tons, which is what I have indicated earlier in phone calls and interactions.

And secondly, we have also announced a capex for low-carbon ferro chrome, for producing low-carbon ferro chrome, which is of course a value-added product, which will bolster margins and diversify the product basket.

So that's for a broad overview of the business, and you know, I think it will be good to get into the Q&A now.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. First question is from the line of Joe Shah from Seven Seas. Please go ahead.

**Joe Shah:** Thank you, sir, and congratulations for diversifying into low-carbon ferro chrome. Great. That will definitely improve our margin. And question is, I would like to have update about the critical minerals. I think I understand that we are trying to get some critical minerals mined in the auctioning. So, kindly let us know what is happening on this critical mineral front?

And one more thing, I would come across a report that IMFA is planning to go beyond the smelting of 5 lakh tons. So, earlier you had said that after 2029, once we know result of underground mining of Sukinda, new underground mining of Sukinda, we know extra output and then based on that, we will be planning for expansion in capacity beyond lakh tons. So, kindly give us some thoughts on this item also? Thank you.

**Subhrakant Panda:** Thank you for your kind words on the performance. As far as critical minerals is concerned, there is no update at this point in time because while we have participated on a couple of auctions prior to, I mean, leading up to today, but we have not been successful in terms of a breakthrough. And of course, as you know, that critical mineral auctions happen from time to time. So, we remain alive to the opportunity. That is an area of interest for us. And we hope that sooner rather than later we will be able to break through.

But nothing to report at this point in time. And I wish to clarify one point very clearly, that not just with regard to critical minerals, but our overall approach to capital allocation is very clear, that we will only allocate capital when we see, when we are confident about our ability to add value and create value for stakeholders. So, we would only move ahead on any opportunity if it meets certain criteria.

Secondly, as far as our smelting capacity is concerned, , we will go beyond 5 lakh tons with the commissioning of the seventh furnace,which en route, which is happening shortly. And we, of course, have the partially built furnace at KNR-2, which we expect to be operational around July or so of next year. We have got some initial environment clearances and all that. But I think we will be able to give a more accurate timeline, perhaps, in a couple of months time when all the permissions are in place, but we are fairly confident about commissioning that by July 2027.

So, our guidance in terms of tonnage continues to be 380,000 tons for FY 27. The slight reduction being on account of lower output from KNR-1 and a slight delay in KNR-2. And our volume guidance for FY28 remains to around 475,000, tons. And beyond that, in terms of further increase in ore output, the capex approved by the board today will eventually take us beyond 1.2 million tons, what it will initially do is hasten the achievement of 1.2 million tons, make the timeline a little shorter.

But eventually, basically, our 1.2 million tons was coming 0.6 from Sukinda and 0.6 from Mahagiri, underground. So this capex will take Mahagiri from 0.6 to 0.75. So net-net, it increases our ore raising ability, and we will therefore add further smelting capacity in due course.

**Joe Shah:** Okay. Thank you.

**Moderator:** Thank you. Next question is from the line of Parthiv Jhonsa from Anand Rathi. Please go ahead. Mr. Parthiv, your line is unmuted. Please go ahead with your question.

**Parthiv Jhonsa:** Yes, am I audible?

**Moderator:** Yes, please go ahead.

**Parthiv Jhonsa:** Yes. Sir, happy Diwali in advance. Sir, my first question is pertaining to something, I might have missed the starting comments, but just on the global macros. Now considering a couple of your peers from South Africa, I know you, in last call you have said that the global balance is the same, but a couple of peers in South Africa have actually started increasing their ferro chrome production, and they are consistently increasing 20%, 30% on a quarter-on-quarter basis. Do you think that the price of stainless steel is also not picking up for 2026, this will remain under stress in near term or is there an expectation with that?

**Subhrakant Panda:** So Parthiv, basically our analysis remains the same, which is that ferro chrome production in South Africa had fallen drastically in 2025, and there is clearly a revival underway. Thanks to the special tariffs which have been approved. And as you correctly quoted, some of our peers there are ramping up production. What we expect is that as ferro chrome production in South Africa ramps up, it may not be immediately thereafter, but very shortly thereafter, you should see reduction of ferro chrome capacity elsewhere, primarily in China.

And Net-net, we will broadly be balanced apart from any other factors which may have an influence on the stainless steel and ferro chrome industries. Now, could you see a little bit of turbulence in between? Potentially, because it is not a question of flipping a switch and starting in South Africa and flipping a switch and stopping in China.

But by and large, it is not in the interest of South African producers to have surplus ferro chrome production, which brings down ferro chrome prices as well as chrome ore prices. So from that point of view, we continue to be guided by what companies like Glencore have said, which is that in terms of chrome units, they see parity being maintained. So, beyond that, in as much as the stainless steel industry dynamics are concerned, what we see is that stainless steel growth continues to be focused in Asia, primarily in China.

Having said that, I think India is also joining the party now in terms of significant increases in stainless steel capacity, and I am not surprised by that because, as I have often talked about, that when the mindset changes from initial acquisition cost, where stainless steel is more expensive compared to carbon steel, so when it changes from initial acquisition cost to life cycle costing, that is when the advantages of stainless steel becomes obvious. And that is where there is greater degree of adoption.

So, India's stainless steel per capita consumption remains at about 3.5 kilograms, and there is substantial scope for improvement as the economy grows and matures. So we are quite confident about the medium to long-term prospects. And even in the short term, as we have said in our press release, we expect prices to be by and large supported. I mean, of course, you will see a slight moderation of prices happen. We are still seeing an average of about INR1.17 or so for the quarter. We will moderate a little bit on the input cost side. Primarily, metallurgical coke is moving up, so margins might tighten a little bit, but we will more than make it up with volumes. So, we remain quite confident about the second half of FY27.

**Parthiv Jhonsa:** That's actually quite elaborate answer, sir. Thank you. Just to take the first question forward, your next quarter expected realization will be the range of INR1.16 lakhs to, say, INR1.18 lakhs, around a similar level?

**Subhrakant Panda**: No. What I was saying is roughly around INR1.165 lakh or something like that is what we are seeing in Q2. So slight moderation to that. But, I mean, it's something that we expect. So you're seeing a slight moderation in prices, you're seeing a slight increase in costs. So net-net, the margins will tighten a little bit, but that will be more than made up with volumes. The one point I think you perhaps missed out is that in terms of Q3, we are expecting to cross 100,000 tons quarterly output for the first time. So that is the planning as of now.

**Parthiv Jhonsa:** Sir, my second question was pertaining to the ore raising. I believe this quarter the ore quantity has been considerably lower than previous four quarters, right? So what should we consider? Was this because some seasonality factor or it would be, say, a certain X of the production going forward?

So I think this time around it was 1.7x the production, the ore raising which was done. Can this increase going forward, considering that Sukinda Underground will take some time to come on stream and you would require more ore? I know that you have excavated ore in the past as well, additional quantity, but what will be the ratio going forward? That's a major question.

**Subhrakant Panda**: Okay. So, two things. There is certainly a seasonality to ore raising, at least currently when we still have open cast output, and therefore during the monsoon season, and this time around the monsoon has been extended and quite severe, for lack of a better word, as in terms of more number of days with heavy rainfall.

And what that definitely means is that as far as open cast output is concerned, it definitely takes a hit. So, there is clearly a seasonality to ore raising. So, if you go back and look at past 5 years data or something of that sort, you will find that ore raising in Q2 is always a little bit lower. Now, it's a question of how many days of rainfall you have had and what impact that has.

But our target for FY27 continues to be 1 million tons of ore raising, which is a milestone in itself, and of course, required to support our smelting targets, ferro chrome output targets. The other point I just want to reiterate so that it is clearly understood that our short-term target is 1.2 million tons of ore raising overall, which is 0.6 million tons from Sukinda and 0.6 million tons per annum, that is, from Mahagiri.

What I have indicated in earlier interactions and investor calls is that we are reasonably confident or fairly confident that we will go beyond the 1.2 million tons mark in terms of over raising and that will enable us to add more smelting capacity. So, what the Board has approved today is capex to take Mahagiri from 0.6 million tons to 0.75 million tons per annum. That will be available in stages in increments of 50,000 tons per annum more starting in 2029.

So, in the short term, what it will do is it will help us get to the 1.2 million tons mark faster. And secondly, beyond that it will take ore output beyond the 1.2 million tons mark, thereby enabling us to add more smelting capacity.

**Moderator:** Mr. Parthiv, does that answer your question? Mr. Parthiv, you are not audible.

**Subhrakant Panda:** I think we can go on to next person in the queue and Parthiv can join back.

**Moderator:** Okay sir. Next question is from the line of Harsh Vasa from SBICAP Securities. Please go ahead.

**Harsh Vasa:** Thank you for the opportunity and congratulations on a great set of numbers. And sir, happy Diwali in advance. Sir, most of the questions are answered. I just have one, if you can quantify sir, how much increase has been there in the metallurgical coke? Q-on-Q, sequentially, if it is possible?

**Subhrakant Panda:** I don't think we have the numbers in any case, know, broadly we don't want to go down to the specifics of, you know, cargo and the pricing. But broadly I would say that we are in, you know, around the 375 to 380 marks in terms of coke pricing and there is a little bit of upward momentum going ahead.

But that is understandable because of currency fluctuations as well as various other issues, including high trade costs. But having said that, I think we are, as I repeatedly said, that while we will see a slightly tighter operating environment, but we have more than enough volume increase to report better overall numbers.

**Harsh Vasa:** Okay sir, thank you and all the best. Thank you.

**Moderator:** Thank you. Next question is from the line of Pragyam Laddha from Omni Management LLP. Please go ahead.

**Pragyam Laddha:** So, sir, earlier we have guided that we are looking for some long-term contracts for selling ferrochrome. So where are we on this? And what are the capacity expansions in the steel industry which you are aiming at to supply maybe Jindal or some other players?

**Subhrakant Panda:** Actually, we generally sell against long-term contracts. Significant quantities are against long-term contracts. And even when we sell what we call spot contracts, these are not random customers, but repeat customers where we just don't have the legal backing of a long-term contract. In terms of marketing and enhanced output, when we were 160,000 tons of output, which is what we ended FY26 with, we were 90-10 in favour of exports.

And as you would know, we have repeatedly mentioned that going ahead by 2028 we will be targeting about 60,40 still in favor of exports but selling significant tonnages into the domestic market. So, in absolute terms out of half a million tons production we are targeting about 300,000 tons of exports and about 200,000 tons of domestic sales but depending upon market circumstances these are you know can easily be you know both components can be moved up or down a little bit.

Now, broadly in terms of exports, we are looking at expanding our presence in existing customers. And as far as domestic sales are concerned, we did have small tonnages that we were selling to a couple of customers. Now we are doing a broader base of customers.

Practically all the medium and large sized stainless-steel producers are our customers and we are selling tonnages there. Just to reiterate if I were to read between the lines that in terms of comfort regarding being able to sell half a million tons, we are very, very confident and the market situation is such that even in the domestic market there is plenty of opportunity and of course as the largest producer we feel that it is our responsibility as well to make sure that the domestic market is properly catered to.

**Pragyam Laddha:** Okay. Second thing, sir, on your cost per ton, this quarter, the cost per ton is higher than Q1. So, is it some seasonality or one-off cost from starting the new furnace? And how do you see this cost going forward in Q3 or maybe FY27 and '28?

**Subhrakant Panda:** So, there are, without getting into the specifics, I would say there are two things. One, as I have indicated, that met coke prices have moved up a little bit. Secondly, I think there has been a slight upward revision in chrome ore pricing as well because of more mix coming from underground rather than open cast, so that moves up the costing slightly. There will be a slight element of royalty as well. That apart, yes, there are certain one-off costs relating to startup of the greenfield site.

And the final element, which I have mentioned earlier also, is when you're scaling up operations, both of the greenfield site as well as the acquisition, which for all effective purposes was lying unutilized for a long period of time. So, there are certain inefficiencies at beginning which settled down.

So, in the acquisition, for example, we had some inefficiencies in terms of our power utilization that has now settled down. But we also are paying for a hybrid energy corridor, what's known as a GNA-RE corridor, but our renewable energy hasn't started flowing as yet. So, the first branch of 70 megawatts from JSW Energy, we are expecting by the end of this month.

So, for example, we are carrying some monthly cost towards the hybrid energy renewable energy corridor without actually utilizing it. So, those inefficiencies, I had in previous calls said that until let's say December of 2026, all these up and down will happen, but we expect to start the new year on a much cleaner slate in terms of these inefficiencies relating to startup being, starting up and scaling up a new location being ironed out.

**Pragyam Laddha:** Sir, any guidance

**Subhrakant Panda:** Saunak, you have anything to add to on the costing thing? I think I've pretty much covered it. But if there is anything else, you'd like to add.

**Saunak Gupta:** Yes, on the costing part, what you said is correct. Met coke cost and the startup cost are the key things which have to some extent increased the overall cost and also marginally the selling and distribution cost. You know the shipping costs have also increased due to the geopolitical situation. That has led to EBITDA cost going up currently, but once this scale up happens in both Kalinganagar one and two, this cost is expected to go down.

**Pragyam Laddha:** Sir, any numerical guidance on what the cost can be per ton for say next year, when things normalize and then new capacities are up and running?

**Subhrakant Panda:** We don't give any guidance in terms of either pricing or costing, but what we, you know, if you historically look at what our average EBITDA per ton has been, and not in any particular quarter, but on a period, you know, if you look at it at a one year or 18 month period, we are expecting that due to economies of scale, due to kalinganagar being a more efficient site. We are expecting the margin to be a little bit more robust going ahead. We expect that to be all other things remaining the same. We expect EBITDA to be about INR1500 to INR2000 a ton higher because of the more efficient logistics of Kalinganagar.

**Pragyam Laddha:** Okay, sir. Thank you. Congratulations for the good set of numbers and all the best. Happy Diwali, sir.

**Moderator:** Thank you. Next question is from the line of Avantika Jawahar from Banyan Tree Advisors. Please go ahead.

**Avantika Jawahar:** Yes, hello. Am I audible?

**Subhrakant Panda:** Hi. Yes.

**Avantika Jawahar:** I wanted to ask about the aviation investment that you've made. What exactly is that and how does it roll into the company's plan?

**Subhrakant Panda:** Actually in itself we have certain aviation assets which are, given that our mines and other sites are far flung. We have some aviation assets primarily helicopters. But because of certain restrictions which are applicable on the main operating company because of the aviation assets. We are therefore moving those assets to a 100% subsidiary so that, which is the main operating entity is not settled with certain compliances which are not relevant to the core business.

Beyond that, this is not related to aviation per se as in we are not getting into aviation or anything of that sort. It's just the transfer of certain aviation assets from to a 100% subsidiary so that the main operating entity is not settled with certain unnecessary compliances. Those are carried out by the operating entity for the aviation assets.

**Avantika Jawahar:** Understood. Thank you so much.

**Moderator:** Thank you. Next question is from the line of Kartikeya Pandey from 360 ONE Capital. Please go ahead.

**Kartikeya Pandey:** Yes, hi, thanks for the opportunity. I have two questions. First is, how much are we exporting to China?

**Subhrakant Panda:** So, China, I would say broadly what we are exporting at the moment is about 120 odd thousand tons per annum, and we expect that to get close to about 180 tons to 200,000 tons.

**Kartikeya Pandey:** Okay. And, sir, but the thing is, I think in China there has been some curtailment of stainless-steel productions. So, how are we looking at this like you said?

**Subhrakant Panda:** It's not so much curtailment of stainless-steel capacity as phasing out of smaller, older furnaces and being replaced with newer, more efficient stainless-steel capacity. In terms of demand, we are absolutely fine, no concerns on that front. And, as I mentioned, we're pretty much on track to starting next year with our existing customers to increase the tonnages based in line with not just our expansion, but their increased consumption as well.

One of our customers, for example, has gone from about 1.5 million tons of stainless-steel production to 3 million tons of stainless-steel production. So, they are definitely looking for more tonnage, which is what we are placing with them. And one of our other customers is a very large stainless-steel producer, whose I mean, our ferrochrome is a fraction of their consumption. We've had a very good relationship and therefore, we are looking to both sides are looking to increase that in terms of tonnage which is placed.

**Kartikeya Pandey:** I was asking, like, what's your thoughts on the cost front, like, as lots of cost increase has happened, and, so, like, what is the outlook for the next two, three quarters, like, on a per ton basis, if you can just guide me?

**Subhrakant Panda:** You know, we don't give any forecasts in terms of selling price or costing. But as I just clarified, that in terms of cost per ton, clearly there is a slight increase in met coke prices and we are seeing a slight upward trajectory happen as well. That apart, because this quarter we have consumed more ore from underground mining than open cast. So, that has marginally impacted the costing.

There is also a slight, you know, because chrome ore prices in India have remained elevated. So, while that does not affect us, but elevated chrome ore prices lead to higher royalty outgoes. So, these are the three factors which are there from our operational viewpoint. And secondly, certain startup costs, etcetera, which are there, which once all the furnaces stabilize, will cease to be relevant from that perspective. So, that's where we stand on the costing front.

**Kartikeya Pandey:** Okay, sir. That was helpful. So, if I assume, like, if I think of it, like, is this quarter the way the next two quarters margin trajectory is going to be or like, how should I think of it? Just a broader understanding.

**Subhrakant Panda:** So, again, we will not give specific numbers because we don't do that. If you look at the trend in FY27, first quarter was an exceptional quarter where we had a very robust EBITDA margin of close to 30%. That has moderated as it should, because with prices easing a little bit and costs moving up a little bit, we are still seeing a per ton EBITDA of about INR28,000 in this quarter, which is significantly above the long-term average.

For a quarter or so, we do see a potential tightening environment, but any contraction in margins will be more than made up by the volume push, which will be fully seen in Q3 onwards. Therefore, in absolute terms, we are expecting good performance.

But, like I said, I think we remain confident about both the short- and medium-term output as well, outlook as I should also say about the long-term outlook, because I think stainless steel prospects particularly in India are very robust. And I think we are ideally positioned to benefit from that.

**Kartikeya Pandey:** Okay sir. It was very helpful. Thank you.

**Moderator:** Thank you. Next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

**Saket Kapoor:** Yes, namaskar, sir. Hope my voice is clear.

**Subhrakant Panda:** Yes.

**Saket Kapoor:** Yes, sir. For the sales part, we have, I think, 167 is the number we did for the first half and 360 is the number that you we have guided, so we have done ferrochrome sales of 161,255. We are looking to close the year with 360 numbers, 360,000, with the 1 lakh volume for the quarter.

**Subhrakant Panda:** Volume guidance for in terms of output. Volume guidance for FY27 continues to be 380,000 tons.

**Saket Kapoor:** 380,000.

**Subhrakant Panda:** That's production volume and by and large, the sales volume will match that by and large, but what we have been giving guidance is production volume.

**Saket Kapoor:** Sir, and also, in your investor presentation, we have seen that the cost per ton has moved from say 85,884 to 88,368. So, taking into account the current trend, this is what the range would be somewhere to the in the vicinity of this 3% to 4%. That is how the cost will trend or, Yes, since you have mentioned it that it will be cost will be slightly higher, there's 3% bracket or is a good assumption?

**Subhrakant Panda:** No, I would not like to get into specifics of numbers because then we are getting into projecting costs, which I don't want to do that.

**Saket Kapoor:** Okay, sir. Okay.

**Subhrakant Panda:** But having said that, I, you know, as I have reiterated, that there is a slight upward trajectory as far as coke prices are concerned and secondly, I think, chrome ore we should not see any significant change, and you will continue to see some inefficiencies in operations at the startup, you know, for example, until you cross 60% threshold in terms of power consumed from the grid, it's a very high rate.

It's only when you cross 60 that it drops, and when you further cross 80 or 90% whatever the threshold is, that the rate drops further. So, obviously, when we are starting up a furnace initially that is, that inefficiency is there.

But on the flip side, we are also expecting our renewable energy to flow in from late November onwards. So, once that settles down, we should see that advantage from next quarter onwards as well.

**Saket Kapoor:** Okay. Just to add to it, sir. On your presentation, slide number 14, you have very well mentioned also that the power and fuel costs are higher primarily due to higher production, also along with the startup and the stabilization cost, which you were just alluding to. And, sir, also, you have mentioned about this mark-to-market impact also on the forex. So, can you just give, quantify a number for these two events, firstly, the stabilization cost, if any?

**Subhrakant Panda:** I'll ask Saunak to respond to mark-to-market. But fuel and power costs have been higher on three counts. Higher because coal prices have been high, and I'm sure all of you have read about the extended monsoon creating some difficulties in coal dispatches and all of that. So, coal prices had moved up a little bit, that is one.

And, secondly, of course, we are consuming more in terms of quantum, so that is there. And these are the two primary factors that I've mentioned about fuel and power. But Saunak, would you want to quantify the MTM, please?

**Saunak Gupta:** In September end, the US dollar was at 95.98 compared to 94.6 in June end. So, there was about INR8 crores notional MTM effect loss in the profit and loss statement, which was embedded in the other expenses.

**Saket Kapoor:** Okay, sir. And sir, lastly

**Moderator:** Sorry, to interrupt Mr. Kapoor

**Saket Kapoor:** Okay.

**Moderator:** We will please request you to join in queue

**Moderator:** Next question is from the line of Joe Shah from Seven Seas. Please go ahead.

**Joe Shah:** Sir this quarterly output of 1 lakh ton you mentioned is for Q3 or Q4?

**Subhrakant Panda:** Q3.

**Joe Shah:** Q3? Okay. Very good. And, Q4, I understand that KNR 1 will be fully operational.

**Subhrakant Panda:** Well, actually even in Q3, we will be fully operational, but, obviously, starting the middle of the quarter. So, like I mentioned, we are expecting the second furnace in KNR 1 to be first hot metal tapping around 15th November, give or take a little bit.

By the time we end the quarter, we should be at close to ideal load. But, yes, in terms of a full quarter, it will be in Q4 that all furnaces will be operating at optimal load. And that's where, in Q3, we're expecting crossing 1 lakh tons of output, and in Q4, it should move up a little bit more in order to get to 3,80,000, which is what we are still maintaining.

**Joe Shah:** Okay. Very good. Thank you.

**Moderator:** Thank you. Next question is from the line of Vinny from Jain Investments. Please go ahead.

**Vinny:** Hello. So, my question to you is, IMFA has a fully integrated business model, so spanning chrome ore mines, some captive power and ferrochrome production. So, as the company scales towards the 5.34 lakh tons of ferrochrome capacity, how should we now quantify the competitive advantage of this integration, which you compared with the standalone ferrochrome producers who produce just ore and power externally?

**Subhrakant Panda:** Look, I think clearly the advantage of being fully integrated, as in having captive ore and captive power is not just from a competitiveness angle, but also from a resilience angle. But equally, when you look at it from the smelting side of things, it's not necessarily a poor cousin, if I can put it that way. In the sense that regulations, the way they stand, we are required to, and we believe it does make more sense for us to add value. That is number one.

And secondly, once we get to the stage of 0.5 million tons and all that, there are certain advantages in terms of economies of scale as well. Finally, there is one other point, which is that with a broader base of ore available to us, that is where we are able to produce certain niche grades. And that is why we're looking at the diversification into low carbon ferrochrome.

So, niche grades at the moment we produce about 10,000 to 12,000 tons per annum of low-phos material, which is 015 phosphorus max, which has a 15% to 20% premium. So, that is in fact, we have recently just concluded a long-term contract for 2027, which will enable us to place about 70% of that output with a Japanese customer. So, that is a significant advantage.

And, secondly, once we get into low carbon ferrochrome, which we hope to be by early 2028, we will sacrifice a little bit of high carbon ferrochrome output because that becomes one of the furnaces, some of that output will be dedicated as a raw material for or feed material for low carbon ferrochrome. But net-net, we will be producing 20,000 tons of low carbon ferrochrome, which has a significantly higher price per ton and margins. So, besides broadening our product basket, it also sort of bolsters our margins.

**Vinny:** Got it. So, my follow-up to that would be, sir, where would IMFA currently position itself on the global ferrochrome cost curve relative to the major producers in South Africa, Kazakhstan and China? And has this company's relative cost competitiveness improved after the integration of the KNR 2?

**Subhrakant Panda:** Look, all I can say is that we are extremely competitive and amongst the lowest cost producers in the world. But very difficult for me to give a particular number, but I would certainly say we are in the lower decile in terms of costing.

But second and specifically if you look at China, this is something that I have mentioned a couple of times in the past, which is that China is today the world's largest producer of ferrochrome, but it is entirely dependent upon imported ore, which makes it a relatively high cost producer.

They do have certain advantages, which is met coke is produced in China and their logistics costs to sell to stainless steel producers is significantly lower than companies like us who sell into China. But, that being said, overall, the advantage arising on account of chrome ore is quite significant.

And one other point which you mentioned about integration of KNR 2, let me actually broaden that question and say that with regard to Kalinganagar becoming IMFA's largest site for ferrochrome, that will significantly improve our EBITDA realization. That is the number of INR1,500 to INR2,000 a ton which I was mentioning.

Because if I break up our production capacity, so about 150,000 tons or 160,000 tons is produced at Choudwar with the costing of X. For a moment, please disregard what that X is. And we were producing 100,000 tons at Therubali, which is INR6,000 to INR6,500 a ton more expensive.

Now, while in the next year to a couple of years, we're not really looking at scaling back Therubali, but we will do that eventually. But in the meantime, what is happening is close to about 250,000 tons of ferrochrome will be produced in Kalinganagar, and that is at par with Choudwar, maybe even marginally better on certain counts.

Whereas with 260,000 tons of production, only 160 was being produced which was very efficient. And when we touch 500,000 tons of production, 400 out of that 500 will be very efficient, so that leads to an expansion of EBITDA margins, is what we have been mentioning.

**Vinny:** Okay. Got it. I think that answers my question. Thank you very much, and all the very best for your future.

**Subhrakant Panda:** You're welcome.

**Moderator:** Thank you. Next question is from the line of Shravan Modi from Syndicate Family Office. Please go ahead.

**Shravan Modi:** Good evening, sir. Am I audible?

**Subhrakant Panda:** Yes, sir.

**Moderator:** Yes, please go ahead.

**Shravan Modi:** Yes. Thank you so much for the opportunity. So, my first question is about, if you see China remains a major driver of global stainless steel and ferrochrome consumption. So, what is the management observing in terms of Chinese stainless steel production, inventory replenishment, and domestic ferrochrome production? Are the current demand trends strong enough to absorb incremental global supply?

**Subhrakant Panda:** China is absolutely is the epicenter of stainless steel production, and China is definitely where you're seeing a lot of incremental capacity and growth happening.

Yes, there has been the Chinese economy, if you look at it, has slowed down, but you're talking of a much, much larger economy. So, I don't think it is a correct comparison to say China is growing at 4% now compared to 6% or 8% or 10% earlier, because the size of the economy is very different today.

Having said that, they do have some challenges. I don't think it makes sense for us to do a deep dive on Chinese economic outlook, but yes, it is of course relevant for us. But what I would also like to posit here is that India is rapidly moving up in terms of being an important market, not just for stainless steel, but not just for carbon steel, but also stainless steel, which is why we are going ahead.

We are looking at targeting about 40% of our output to go towards the domestic market. And that can go up further if warranted, because these are fairly interchangeable. And why we remain confident about ferrochrome demand and stainless steel demand in India is that the per capita consumption is at about 3.5 kilograms, whereas China at its peak was in excess of 8 kilograms.

So, we believe that as the Indian economy grows and as it matures, and if you look at the public capex allocation in successive budgets, now it's pretty much, I think the government has indicated it will be about 3.3% of GDP. But with the GDP itself growing, that 3.3% in absolute terms will be a significant number.

And therefore, as the economy matures, we believe a little bit of a sort of move towards stainless steel will also happen. Because that point that are you looking at initial acquisition cost where carbon steel is cheaper, or are you looking at life cycle acquisition cost, where stainless steel, because of its recyclability and ease of maintenance, etc., is generally considered to be a better choice.

Shravan, one point here, in terms of absorbing incremental capacity. As I said, we may be doubling capacity, but we are still part of a roughly 17 million, 18 million ton industry. So, in the overall scheme of things, the concentration risk is not significant at all.

**Shravan Modi:** Got it, sir. My second question is about, so if you see South African producers such as Glencore and Samancor have been benefiting from preferential electricity tariffs. So, if these producers progressively increase furnace utilization, how do you see those impacting global ferrochrome prices, particularly in our Asian market?

**Subhrakant Panda:** Actually, I dealt with exactly this question, but I think being an important subject, let me reiterate that ferrochrome production in South Africa had collapsed in 2025 because of high power costs and inland logistics costs. The inland logistics disadvantages continue, but as you correctly pointed out, that preferential tariff is in place for two producers, and as a result of that, they are scaling up output.

But what seems to be the strategy is that there will be parity in terms of chrome units, which is that when ferrochrome production went down, more chrome ore was exported. And when ferrochrome production goes up, less chrome ore will be exported, therefore impacting China's ability to produce ferrochrome.

But having said that, there could be a little bit of turbulence when South Africa is scaling up and until such time that China or somewhere else, a corresponding reduction happens.

But having said that, it is not in the interest of South African producers to flood the market with excess tonnage, which will bring down prices, which will affect us for sure, but it will affect every single ferrochrome producer, including the South Africans themselves. So therefore, I think it is in their interest as well to find that balance so that there is no glut in the ferrochrome availability.

**Shravan Modi:** Thanks so much, sir, for everything. That's it from my end, and I wish you all the very best.

**Subhrakant Panda:** Thank you very much.

**Moderator:** Thank you. Next question is from the line of Divya Reddy from Oracle Investments. Please go ahead.

**Divya Reddy:** Yes. Hello. Good evening. Am I audible?

**Subhrakant Panda:** Yes.

**Moderator:** Yes, please go ahead.

**Divya Reddy:** The 120 KLD ethanol project is expected to be commissioned in January 2027 following the delays related to geopolitical and monsoon disruptions. So, sir, what would be the expected annual revenue contribution and the EBITDA margin of this project? Also, if you could provide some color on the working capital requirement of this project.

**Subhrakant Panda:** So, Saunak, would you want to answer that, please?

**Saunak Gupta:** Overall the revenue is expected to be INR320 crores and EBITDA to be around 10%. That's what is the current projection based on the pricing, which you know, is also regulated.

**Divya Reddy:** Okay and working capital

**Saunak Gupta:** And working capital is a normal one. What we have factored is 60 days. It will vary from 45 - 60 days, depending upon how we enter into a long-term agreement with the grain suppliers, which should be the critical one here.

**Divya Reddy:** Okay. And, also, what would be the kind of return on capital that the management expects on the ethanol business?

**Saunak Gupta:** We have an internal IRR of 15%.

**Divya Reddy:** Okay.

**Subhrakant Panda:** But it will depend upon how the grain prices actually plays out in the market in future. So, it can go up. So, conservatively we have kept IRR at 15% on the investment. So, your ROCE will be also somewhere in the range of 13% to 15%.

**Divya Reddy:** Okay, sir. Thank you so much, and all the very best for your future.

**Saunak Gupta:** Thank you.

**Subhrakant Panda:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, we will take this as a last question for the day. I now hand the conference over to the management for the closing comments.

**Subhrakant Panda:** Thank you very much. As usual, we look forward to the opportunity to interact with all of you. We thank you for taking time out from your schedule to be here on this call. I think we have an exciting story to share, and therefore we look forward to this opportunity. But your insightful questions do provoke us to not just be well prepared for the call, but also sort of do a deep dive into various aspects of the business and be clear about a strategy moving forward.

I think what I would like to end with is to say that we have worked pretty hard over the years to put together the building blocks for what is today a very resilient and competitive business. And now we are in the process of realizing the advantages, or realizing the benefits of that fully integrated business model. But we are also looking to not just expand capacity, but also diversify into higher value-added products, which will diversify the product basket as well as bolster margins.

And, as I mentioned, we have also set in motion today the process of increasing mining output beyond 1.2 million tons. So, we are quite excited about what lies ahead, and would like to assure you of our best efforts to deliver a performance which is not just better than our peers, but do so in a manner which is transparent, so that you have a clear insight into the operations of the company and what makes us, or what gives us the ability to deliver these superior performances. Thank you very much.

**Moderator:** Thank you, sir. On behalf of Indian Metals and Ferro Alloys Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.