`

LLOYDS METALS

17th August, 2026

To,

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 512455

National Stock Exchange of India Limited
Corporate Communications Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
NSE Symbol: LLOYDSME

Sub: Transcript of the Conference Call for investors and analysts for Q1 FY27

Dear Sir/Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), and in furtherance to our intimation dated 05th August, 2026 regarding Conference call with Analyst(s) /Investor(s) held on Tuesday, 11th August, 2026 we would like to inform that the transcript of the aforesaid conference call is attached herewith and the same is also available on the website of the Company at https://lloyds.in/investors/analyst-and-investor-meets-and-presentations/.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,
Yours Sincerely,
For Lloyds Metals and Energy Limited

Akshay Pankaj Vora
Digitally signed by Akshay Pankaj Vora
Date: 2026.08.17 15:40:57 +05'30'

Lloyds Metals and Energy Limited
Mumbai

Akshay Vora
Company Secretary

Enclosure: as above

"Lloyds Metals and Energy Limited

Q1 FY '27 Earnings Conference Call"

August 11, 2026

MANAGEMENT: MR. RAJESH GUPTA – MANAGING DIRECTOR – LLOYDS METALS AND ENERGY LIMITED
MR. RIYAZ SHAIKH – CHIEF FINANCIAL OFFICER – LLOYDS METALS AND ENERGY LIMITED
MR. S.K. NAREDI – DIRECTOR FINANCE – THRIVENI EARTHMOVERS PRIVATE LIMITED
MR. HEMANKUR UPADHYAYA – DIRECTOR OF FINANCE, INTERNATIONAL STRATEGY AND OPERATIONS – LLOYDS METALS AND ENERGY LIMITED
MR. CHINTAN MEHTA – IRO – LLOYDS METALS AND ENERGY LIMITED

MODERATOR: MR. JASHANDEEP CHADHA – NOMURA

Moderator: Ladies and gentlemen, good day, and welcome to Lloyds Metals and Energy Limited Q1 FY '27 Earnings Conference Call hosted by Nomura. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jashandeep Chadha from Nomura. Thank you, and over to you, sir.

Jashandeep Chadha: Thank you. Good afternoon, everyone, and thank you for joining us today. We at Nomura, are pleased to host Lloyds Metals and Energy 1Q FY '27 Earnings Call. From the management, we have with us today Mr. Rajesh Gupta, Managing Director; Mr. Riyaz Shaikh, Director Finance and CFO; Mr. S.K. Naredi, Director of Finance from Thriveni; Mr. Hemankur Upadhyaya, Director, International Strategy and Operations; and Mr. Chintan Mehta, IRO.

Now, without much ado, I would like to invite Mr. Rajesh Gupta for his opening remarks. Over to you, sir.

Rajesh Gupta: Good evening, Jashandeep, and everyone else on the conference call. A very warm welcome to all of you joining us on our Q1 call. And thank you to Jashandeep and the entire Nomura team for hosting this call today. We deeply value the engagement and the platform you have given us to share the Lloyds Metals story with the investor community.

Before I speak about the quarter, I want to pause on a milestone that is very special to all of us at Lloyds as well as I hope for all the people on the call. This quarter, we achieved and crossed a market capitalization of INR1,00,000 crores, a level that would have seemed a distant dream not very long ago. This milestone does not belong to the management or the team.

It belongs first and foremost to every investor and to the community that stood with us through the early years of uncertainty, through the ramp-up and through every project that we have executed since. It is a reflection of the trust and the faith you have placed in our ability to execute. We are deeply grateful for it, and I want to assure you that we carry the responsibility with all the seriousness that it deserves.

Q1 has been the outstanding quarter for Lloyds Metals on a stand-alone as well as a consolidated basis. The revenue of INR7,354 crores, more than tripling year-on-year is, of course, a milestone for the group. While Riyaz takes you through the numbers in details, I would like to talk about some of the interesting events that have happened. Our second plant of pellets was commissioned in May 2026, and again, in a very short period and as scheduled and within budget. I'm proud to say our pellets operations reached 100% capacity utilization within just 4 months.

Pellet production stood on this quarter at 1.69 million tons at a very, very healthy realization. A large part of the realization comes from the geographical mix of our sales. We have expanded our export reach to Kenya, South Africa -- South Korea, Indonesia, and of course, China. And while deepening our presence across Central and Southern India, most of the markets in Southern

India or Central India are more or less catered to entirely by us. This set of markets, roughly 3/4 of domestic and 1/4 of export, is helping us to place volumes well and protect pricing.

Why I have been focusing on pellets is because that's a big factor of the margins that we are reporting of, improving the slurry pipeline that has structurally lowered our logistics and freight cost for iron ore. Very effective fuel mix, including shift partially from LSHS to LNG, which is, of course, a greener mix, has given better cost control across the value chain. Captive ore, captive logistics and a growing share of value-added products together means that these are structural margins and not cyclical ones.

We are confident that these margins can sustain in the cyclical commodity because we continue to actively pursue better and higher value markets for every product we make, chasing realization and not just volume. And this is exactly the discipline that we want -- intend to replicate as we commission our first 1.2 million ton long product steel plant very shortly. The same integration, the same cost focus and the same market-first approach will carry into our steel-making journey, and of course, into copper.

Even as we deliver these results, the next leg of our project pipeline is already taking shape, BHQ beneficiation, the third pellet plant and the next line of our total slurry handling and iron ore handling system without trucks. Together, these projects deepen our integration, expand our value-added capacity and further lower our delivered cost. We are confident that this pipeline will continue to drive meaningful value for the company over a period of time.

Riyaz will now walk you through the stand-alone financial performance. Thank you.

Riyaz Shaikh: Thank you, Rajesh-ji, and good evening, everyone. Let me take you through our stand-alone financial performance for the first quarter of FY '27, which has been our strongest quarter yet across every metric. Revenue from operations for the quarter stood at INR5,413 crores, a sharp 127% growth year-on-year and 10% sequentially over quarter 4. EBITDA came in at INR2,120 crores, growing 172% year-on-year and 31% quarter-on-quarter.

This growth was driven by higher iron ore EC limits, a faster-than-planned ramp-up of the pellet plant and improved sponge iron volumes. PAT for the quarter was INR1,527 crores, up 141% year-on-year and 43% sequentially. Profit before tax stood at INR2,008 crores.

I want to dwell on the margins because this is the real story of the quarter. Our EBITDA margin came in at 39.2%, the best margins the company has ever reported. Importantly, this has scaled on both fronts, up 639 basis points year-on-year and up 631 basis points quarter-on-quarter. Very few quarters see margin expansion of this order on both a year-on-year and a quarter-on-quarter basis at the same time.

Three factors drove this. First, the commissioning of the slurry pipeline, lower logistics and freight costs on iron ore and pellets. The second is higher realization across products strengthen the overall mix. And third, and more structurally, a better product mix with a higher contribution from value-added products like pellets led to meaningful margin expansion. The shift is visible in our mix. Value-added products now contribute 41% of stand-alone revenue and 40% of EBIT versus just 13% and 2%, respectively, a year ago. This is a structural re-rating of the earnings base, not a cyclical spike.

Product-wise performance. Iron ore production for the quarter was 6.05 million tons, up 53% year-on-year, and sales was 5.46 million tons, up 58% year-on-year. Realization stood at INR6,068 per ton with an EBITDA of 2,230 per ton. Our monthly run rate is now upwards of 2 million tons.

DRI & Power. DRI sales volume stood at 1,83,920 tons, up 133% year-on-year at a realization of INR27,376 per ton and EBITDA of INR6,273 per ton. Power volumes were up 87% year-on-year.

Pellets production was 1.69 million tons, reaching 100% capacity utilization within 4 months of the second plant coming on stream in May. Realization stood at INR11,783 per ton and EBITDA at INR5,803 per ton. The slurry pipeline and captive core coupled with strong realization drove these robust pellet margins. Our sales mix was 75.3% domestic and 24.7% export.

Coming to capex and the net debt. The company incurred capex of INR13,513 crores during FY '24 to FY '26 and a further of INR3,005 crores in quarter 1 FY '27 alone, as we continue to build out our downstream and beneficiation projects. Stand-alone net debt as of 30th June stood at INR5,616 crores, very comfortable relative to the EBITDA, and business is now -- the EBITDA, the business is now generating.

Let me add one point at the consolidated level. Our consolidated debt -- net debt remains around INR19,000 crores. A significant part of this pertains to the Chemaf acquisition, which we are actually working to renegotiate on more favorable terms. We will keep the investors informed as and when this materializes. To summarize, record revenue, record EBITDA, record PAT and our best ever margin expanding on both a year-on-year and a quarter-on-quarter basis.

With that, I will hand over to Naredi-ji for the Thriveni's performance. Thank you, everybody.

S. K. Naredi: Good evening, everyone, and thank you, Rajesh-ji and Riyaz-ji. For us, at Thriveni, the growth has always been about disciplined execution and getting the fundamentals right quarter after quarter.

Let me take you through Thriveni's performance for Q1 FY '27. For Q1 FY '27, the revenue from operations for the quarter stood at INR2,672 crores, which is up 63% year-on-year. EBITDA came at INR658 crores, which is up 145% year-on-year with margins at 24.63%, an expansion of 827 basis points over the same quarter last year. Cash PAT stood at INR447 crores, up 145% year-on-year with cash margins -- cash PAT margins improving 522 basis points to 16.72%.

Our margins this quarter were marginally impacted by higher fuel costs due to this gulf crisis. We are actively pursuing pass-through of these costs to our clients, and those negotiations are currently underway. Having said that, I want to be very clear that our guidance of 28% to 30% EBITDA margins on a full-year basis remains intact. We are confident of getting there as pass-throughs conclude and as volumes scale throughout the year -- through the year.

Operational performance. Iron ore volumes, including BHQ, stood at 19.09 million tons for the quarter, that's nearly doubling from 9.87 million tons in Q1 last year. Coal volumes from Indian operations, including overburden, were 26.02 million cubic meters with overseas operations at 5.93 million cubic meters and baryte at 2.14 million cubic meters.

Gadchiroli operations. Now, following the environmental clearances obtained in FY '26, our ROM handling capacity at Gadchiroli has been enhanced from 10 million tons per annum to 55 million tons per annum. That is a 5.5-fold increase. The mine achieved a total production of 12.83 million tons, including BHQ during the quarter.

Full scale operations have commenced at Central Hill, and the FY '27 equipment mobilization plan is on schedule. On greenfield, 88 electric equipment units are now operational at the mine with a further 20 at the railway siding. We have also mobilized 14 mobile crushers and 26 HEMM units for BHQ crushing and are deploying higher capacity 240-ton dumpers to support the enhanced production.

In other operations, in Odisha, the Laserda-Pacheri mining operation commenced in Q1 FY '27 with a target of 1.5 million tons per annum, and the Dalpahar mines is expected to commence in Q2 FY '27 with a target of 3 million tons. Several existing mines have been scaled up, and we expect Odisha volumes to grow 39% year-on-year to 34 million to 35 million tons in FY '27. On the coal side, our Thriveni Sainik operations retained a 5-star rating from the Ministry of Coal and the number 1 position among open cast mines in India for the second consecutive year.

In our Logistics business segment, at present, we have around 150 electric and LNG vehicles, and we propose to add another 200 vehicles, of which 50 will be LNG and 150 will be EV, to our fleet, aiming to make the fleet of green vehicles. Already 20 charging stations are installed, and in the process -- we are in the process of installing another 30 charging stations. It will give us 30% to 40% cost savings and increase in EBITDA of this particular operation from 32% to 40%.

On gold, Geomysore, which is India's first privately integrated gold mining and processing operation, this was formally inaugurated in July '26, and it delivered ROM production of 0.17 million tons and drilling of over 14,000 meters in its first quarter.

Thriveni's focus remains clear, scale responsibly, execute efficiently and protect margins through productivity and cost optimization. The pipeline into FY '27 across Gadchiroli, Odisha, and coal is strong, and we are confident of sustaining both growth and profitability.

With that, I'll hand it back to open the floor for Q&A. Thank you.

Moderator: Thank you very much. The first question is from the line of Vikas Singh from ICICI Securities. Please go ahead.

Vikas Singh: Congratulation on very good set of numbers. Sir, my first question pertains to our Copper division. We have given in a slide like 8x growth in the next couple of years in the copper production basically from almost 8,000 to 96,000, including the cadmium. So if you could give us the roadmap and the capex, how much you have already invested, the equipment ordered for this, it would be really helpful?

Hemankur Upadhyaya: Can you just repeat the question? There was some disturbance.

Vikas Singh: Yes. In the copper division, we have given a road map to almost over 1 lakh ton of production of copper as well as the cadmium. So what kind of capex you have already done? What is the capex would go in FY '27-'28? Because if you want this ramp-up to be happened in '29, the capacity itself will be completed by '28, I believe. So capex...

Hemankur Upadhyaya: So basically, we have 2 assets. Actually, one of them, the capex is already completed, which was part of the acquisition. So that capex is already done. A large part of it was already done last year. So that number is a total of around $130 million, which has been invested into the asset. So that is for the current operating asset, which is operating at the rate of around 800 tons per month, so roughly 2,400 tons per quarter is the average production from there.

The larger asset, which is the JV company, which we have acquired together with the U.S. partners, so that capex actually has already been ongoing because this was an asset which was under construction. So when we acquired it on the books, along with the liabilities, there is a total asset book size of near about $800-plus million. And it would take a total capex of around $300-plus million to get it to completion. So as of now, we have done part of it, and we intend to complete that capex over the period of next 9 months. And we intend to have the assets operational somewhere in Q1 of FY '28.

Vikas Singh: So for both the projects combined $300 million in the next 9 months, we would be spending, that assumption is correct?

Hemankur Upadhyaya: Yes. Correct. So -- and the capex that we are talking about, that is together as a JV company. So effectively, our capex will be part of it and the balance -- basically, I mean, we'll have to do the contribution as per our share.

Vikas Singh: So out of that 50% contribution, how much you are planning to invest from the India business? And how much you are taking loan there?

Hemankur Upadhyaya: So we are looking at all options. So we are in discussion with multiple financing parties, which includes U.S.-based financial institutions as well as Africa-based institutions and the India institution. So we'll be looking at partly equity infusion and also partly debt infusion. I think we'll get the clarity on it in the next 3 months when we intend to achieve the financial closure for that.

Vikas Singh: Noted. And sir, my second question is rather 2 parts. Firstly, any update on the projects with Tata Steel, if any progress has been made there? And secondly, can -- in our existing capacity, we have a legroom to further expand the EC limit in case if we want to?

Hemankur Upadhyaya: Yes. So Tata Steel, we have made reasonably good progress right from starting operating the plant, which was already there, part of the JV company. So we reported an EBITDA of around INR99 crores, which is as per the long-term conversion contract that the company has. So that will continue as it is. Over and above that, we have started a few long-term projects with them, which is primarily on 2 fronts. One is the MDO contract. So we have started a very small mining operations, which is in the Joda West mines.

And second, we are also evaluating in some of their mines if we can ramp up the production faster, and we can also increase the EC capacity for some of those mines. So there, the value addition of this JV company will be much higher. And so current MDO contract is a small step towards that direction, but our teams are evaluating and making a plan on how we can increase the production capacity in these mines over the next 3 to 5 years. So that's the longer-term plan.

And also, we are evaluating slurry pipelines, which will be developed as a service model, which is on the BOT model. So the JV will develop the pipeline, and they'll be providing it as a service to TSL. And it will be connecting the Tata Steel mines with their steel plants. So that evaluation and technical studies is also currently going on, and we'll get to know more on it in the coming year.

Vikas Singh: Sir, just a clarification, is these are the NINL or Bhushan mines for which you have been jointly developing or as an MDO or how is the status?

Hemankur Upadhyaya: No. Currently -- so we are looking at mines -- some of the mines which will be scaling up. So the final set of mines where all we'll be taking up the MDO is not clear. We are still evaluating that. But yes, whichever mines are ramping up. So some of the mines, which you mentioned, will be ramping up. So it is a decision which will be made by Tata Steel. But we are evaluating all the mines wherever scaling up is required. And if we can help in the faster scaling up, it may be taken up by the JV.

Vikas Singh: Noted. And second part of the question in adjusting...

Moderator: Sorry to interrupt, Vikas, sir, may we request that you return to the question queue for follow-up? The next question is from the line of Jai from PhillipCapital.

Jai: So firstly, congrats on a good set of numbers. So my question is actually on the pellets segment. So we've seen pellet profitability go up this quarter. I just want to understand how much of that is your export mix and pellet premiums versus how much of it is captive on slurry pipeline? And as we scale up in the next few quarters, is this a margin that we can build in? Or is there something one-off about this?

Rajesh Gupta: So 25% of our production is being sold as export right now. The slurry pipeline saving is around INR900 -- INR700 a ton, and that will remain -- sorry, INR550 a ton, that will remain. And we assume that the export quantity will be more or less remain the same. Right now, the -- I mean, given the vagaries of the market, sometimes export is better, sometimes local is better, but we hope to maintain a product mix, which will serve all our customers regularly, including the international and the Indian ones.

Moderator: The next question is from the line of Kunal Kothari from Nuvama Wealth.

Kunal Kothari: Congratulations for great set of numbers. Sir, my first question is in regard to our iron ore business, where volume has increased sharply by 58% year-on-year, but EBITDA per ton has remained flat year-on-year and have not seen any operating leverage benefit. Can you provide some light on it, sir?

Riyaz Shaikh: See, the sales price basically remained the same over the last year-on-year, if you see. It's been on INR6,000. And therefore, there's a contribution, which is the EBITDA has always -- also remained at the same, but more and more usage of material, which has gone internally. So the sales quantity has reduced. That's the reason why it is dropping.

Kunal Kothari: But sir, volume has increased sharply. So must be there any operating leverage benefit that has not been seen in terms of higher margins?

Rajesh Gupta: That's what I said, internal consumption has increased. So when we talk of the margins, that is all based on the outward sales. So that has remained the same. So the margin is then getting transferred to the value-added products.

Kunal Kothari: Okay. Secondly, on MDO business, so over here, again, the numbers are fantastic, but can you help us to understand the EBITDA year-on-year growth breakdown in terms of what led to how much of EBITDA growth and margin as well?

Rajesh Gupta: EBITDA, we have improved from last year. And current year also, we are going to maintain the same rate since the volumes are now picking up. And for the Odisha operations also, we are going to ramp up the production. And for the Gadchiroli also, the production is being ramped up. And as I stated in my remarks, that for this logistics operation, we are converting our conventional diesel vehicle to green vehicles. So there also, we are going to improve on the EBITDA. So we are pretty sure that we'll be able to maintain the EBITDA level of around 27% to 30%.

Kunal Kothari: Sir, can you give more clarity because our EBITDA is up around 145% year-on-year. So -- and the volume is up in iron ore around 80%. So just want to cover the bridge of what led to such high, is there any -- the contracts which is giving us the higher margins now compared to the last year? Can you just detail out something over here?

Rajesh Gupta: In Odisha, this year, we are going to -- we have already started 2 large -- 2 new mining projects, one is Laserda-Pacheri, and another we are going to start is Dalpahar. So in both the mining contracts, we have a better EBITDA margins as compared to our other Odisha mines. So in these 2, our EBITDA margins would be much, much better as compared to other mines.

And also, on the fuel cost and all this in fuel efficiency, we are going to improve upon, and our EBITDA would be stable as compared to the last year. And EV vehicle fuel saving, we are going to go -- get more due to these EV vehicles. And these 2 mining contracts where the margins would be around more than 40%. So we'll be able to maintain the higher EBITDA margins.

Kunal Kothari: Okay. Lastly, on the consol level...

Moderator: Sorry, Kunal, sir, may we request that you return to question queue for follow-up? The next question is from the line of Amit Dixit: from GS.

Amit Dixit: A couple of questions from my side. First of all, congratulations for a very good set of numbers. Sir, if you could let us know the progress of BHQ plant, you have mentioned in the PPT that yield is like 38%. So just wanted to understand what kind of grades we are getting now. And when is this project expected to be complete? Is there any delay or something like that, if you can comment on that? That is the first question.

Rajesh Gupta: In BHQ, we hope to commission it by March '28 as per our original schedule. The recovery of 38% against original 35% is more or less confirmed with all the tests that we've been doing on the test bench by the -- through the pilot plant. And so the cost is also more or less within that range that we had originally assumed.

Amit Dixit: Sir, what is the grade in terms of iron ore and alumina content, if you can highlight?

Rajesh Gupta: The total Gangue will be less than 3%, alumina and silica, and the -- on the finished product, and the finished product will be in the range of 66%, 67% at the bare minimum.

Amit Dixit: Wonderful, sir. The second question is essentially on capex. Now, if I look at the capex, I mean, this quarter, it has, of course, increased quite a bit. Just wanted to understand the peak capex for the company, which year, I mean, we will be having the peak capex? And what is your plan for capex in international geographies, particularly if you want to further increase the operations in Congo, let us say. And also, if there are -- if there is any capex apart from that $300 million that you mentioned in your opening question to Vikash, yes?

Riyaz Shaikh: So capex, currently, as Hemankur mentioned, we'll be having for the foreign operations, we are around $300 million is what is planned. This should be in this financial year is what it should -- what would be expected. Plus, as for the ongoing projects, we should be having -- apart from the ISP in Konsari, we would be having around INR8,500 crores of capex in this year. So we've done around INR3,000 crores already in the first quarter.

And then, we -- so it should be at around INR11,000 crores, INR11,500 crores over the next 3 -- next 2 years, that should be the capex. And going forward, with the steel plant coming in, it should be on a higher range. Plus we -- this does not include anything for the copper project in PNG, the Panguna mines. So we're just exploring that. Once that is clear and we have a clear picture on it, then we should be coming back to you all.

Moderator: The next question is from the line of Siddharth Gadekar from Equirus.

Siddharth Gadekar: Congrats for the strong set of numbers. The first question is on the India business. If I look at the production and sales volume this quarter, it seems that we had some carryforward inventory of iron ore. Can you quantify that, one? And secondly, the INR325 crores of cost saving from the slurry pipeline, can we annualize that annually on a per ton basis?

Rajesh Gupta: I didn't get your second question. Can you repeat it?

Siddharth Gadekar: Sir, the slurry -- the cost saving on the slurry pipeline was around INR325 crores we mentioned in the presentation. Can we annualize that savings on a per ton basis for the full year?

Riyaz Shaikh: Yes, it is -- Rajeshji has mentioned it around INR500 to INR550 per ton on the -- because of the slurry line -- slurry project. That is the saving what we are getting on the pellet costing. And to the first part of your question, we had around 1.5 million tons of stock -- opening stock of iron ore, which we would be selling out in this year. So this year, the sales would be more than 26 million with this 1.5 million tons.

Siddharth Gadekar: Okay. Sir, second, on the PNG, any time lines and any initial thoughts on how much would be the investment on that project?

Rajesh Gupta: Like both Siddharth and Hemankur have mentioned, sir, the PNG ABG project is still under study. It's very, very pipeline stage, and it will be very difficult to hazard any guess at the moment. It's a very positive moment for the company. We are studying it. We have our team for the exploration, for the studies, for everything, for the CSR to start with also, but -- and we hope to replicate what we have done in Gadchiroli, both in Chemaf and in Panguna. But to give figures as for Panguna at this stage is impossible.

Siddharth Gadekar: Sir, just last question on the steel plant, sir. Any changes on the steel plant capex and time line for when are we expecting to start the steel plant capex?

Rajesh Gupta: Which steel plant, sir?

Siddharth Gadekar: The Maharashtra Steel plant we had announced.

Rajesh Gupta: The first steel plant is already under commissioning -- is under execution. We hope to commission the plant by the end of this year, March '27. And for the second one, the original one, which was estimated at around 3 million tons in Konsari, we have -- like I mentioned last time, we have put that on the study block, studying how we can get maximum weightage of the land that has already been allotted to us, already in our possession and whether we can increase our capacities in that area given that we already have the iron ore availability. And seeing that the operations are going very smoothly, we might be increasing the capacity. No decision has been yet made on that.

Moderator: The next question is from the line of Vinit Thakur from Plus91 Asset Management.

Vinit Thakur: Congratulations on a great set of numbers. Sir, I just had a question regarding the guidance for capex for next 3 years.

Rajesh Gupta: Yes. As I just mentioned, we should be at around INR11,000 crores -- close to INR11,000 crores for the next 2 years and a bit higher, around between INR15,000 crores to INR20,000 crores in the year after that, so the third year. So that is what it should be.

Vinit Thakur: And, sir, coming to the EBITDA, the previous participant asked the same question about the EBITDA per ton. What do you think would be the next -- for this coming quarter, how the market has been subdued, as said by other players in the market as well. The prices have fallen off pellets down and so has iron ore prices have fallen down. So do you think the results in coming few months will be depressed for pricing?

Rajesh Gupta: I don't count any pricing ever as depressed or bullish. It's a commodity, it changes with every season and every year. I believe that the average for this year quarter-on-quarter has been the same like last year, which is exactly the same. I believe this year will be the same like last year. How we can improve is by placing our materials better geographically, which we are forcing our sales teams to do to ensure that we get better realizations with the same market, whatever it is.

It has helped us that some of our iron ore that we were selling in longer distances can be serviced to customers -- need not be serviced to those customers because we'll be adding value by making pellets. So that will probably add to our long-term margins, which we have seen with a 6% growth this year. We hope to continue similar results, but pricing is impossible to predict.

Vinit Thakur: And sir, what's the sustainable margin going forward?

Rajesh Gupta: Sorry?

Vinit Thakur: What will be our sustainable margins going forward post copper?

Rajesh Gupta: It's a commodity, which all of you guys call cyclical. How can I predict any margin?

Moderator: The next question is from the line of Meet Bhuva from Entigrity Ventures and Partnerships.

Meet Bhuva: Just on Copper division, you mentioned you are renegotiating terms on Chemaf project basically. So I want to know your views on that...

Moderator: Sorry to interrupt, Meet, sir. Your voice is not that audible. Please can you speak a little louder?

Meet Bhuva: Sir, I wanted to ask on Copper division. Also, the management has mentioned that you are renegotiating the terms on Chemaf. So what's the status of the project? And what is the longer-term view of the management on this project?

Hemankur Upadhyaya: So see, the terms are already negotiated. We are looking at total financial closure. The project is under active development. So I think we'll reach financial closure in the next 3 to 4 months, and we will have a firm time line on closure out of all the agreements which have been signed.

Meet Bhuva: Okay. And what is the longer-term view on this project? Like is the project expected to generate a significant EBITDA margins for at the company level?

Hemankur Upadhyaya: So basically, we do have feasibility reports from the past. But I think it would be more prudent. And as we said, it's a commodity business. So it depends -- I mean, if we consider current copper prices, of course, the margins are very high. But it would be a pretty early comment on what margins we'll be making. We do have a plan. We do have projections, but I think we'll be able to disclose more on that when we are confident and there is final commissioning time line, which I think should happen in the next 3 to 4 months.

Meet Bhuva: Okay. And this project must be contributing to the depreciation, et cetera, other expenses in the current quarter, right?

Management: Yes, yes. So yes, the assets will -- were incomplete. So all the depreciation benefits will remain and will be claimed by the company, which is the company which has been acquired. So that 100% will help in the tax benefits that will come along with the assets being there.

Moderator: The next question is from the line of Ritesh Bhagwati from Alpha Plus Capital.

Ritesh Bhagwati: First of all, congrats on great set of numbers. My question pertains to the NTPC wage receivable that was raised as EOM in auditor's note. So right now, it stands at INR300-odd crores, and it's still growing every quarter, like even though NTPC has walked away from the settlement 2 years ago. So my question simply is like -- and I believe we have not provided anything for that yet. So what is the thought process behind that? And what would make us provide that? Like do we wait for the final court verdict? Or is there some earlier trigger for that?

Riyaz Shaikh: We were not able to understand because the line is not clear, and we were just not able to understand any of your questions.

Ritesh Bhagwati: Okay. I'll just repeat it. Sir, my question pertains to the NTPC wage receivable that was raised by the auditor's note in our P&L. So it currently stands at INR300-odd crores. And I believe NTPC has walked away from the settlement 2 years ago. And somehow, I believe we have not yet provided for this INR300-odd crores in our books. Now, what I want to understand is what is the thought process behind that? And what are we waiting for? Like are we going to wait for the final court verdict and only then we are going to book for the provisions? Or how is it like?

Management: No, no. We don't intend to make any provision for that. We are in negotiation with NTPC and the higher authorities, not only for this, but for our escalation on fuel cost and all these things also. So negotiations with NTPC are on. And hopefully, for these wages also, this matter would be sorted out because this is what they had to pay, and they have not yet paid. In arbitration, we had won this award. And since NTPC does not go for -- accept the arbitration, the matter is again subjudice still now. And we are hopeful in the next 2, 3 months, NTPC matter would be resolved.

Ritesh Bhagwati: Okay. Now, has taking this largest coal customer to court affected our working relationship with them in any terms like contract renewals or anything?

Management: No, no, because we are the largest MDO producer for NTPC and their NTPC, entire power plant and everything is dependent on our MDO operation. So there is no relationship conflict between the 2 companies. In fact, we are their preferred MDO contractors, and we are the largest producer of coal for them. So there is nothing as such in this. And in fact, they have awarded us a new contract also.

There is another PB Northwest, which has just started production last year only. That is again of 3 million tons. So it shows our relationship with NTPC. So there's no issue in relationship and anything to do with all this because these are part of normal business that -- business. So both the companies are doing their own job. But yes, we are their preferred partner, and they have full confidence on us.

Ritesh Bhagwati Okay. And my next question is on our capex...

Moderator: Sorry to interrupt, Ritesh, sir, may we request that you return to question queue for follow-up? The next question is from the line of Vikas Singh from ICICI Securities.

Vikas Singh: Sir, my first question regarding you just pointed out that your capex would be INR11,000 crores for each of the 2 years and then INR15,000 crores. So can you just give us from which year the integrated largest steel plant capex would take off? And how much time -- now the new time lines for you to complete that new steel plant because that would be your next leg of larger portion of the top line growth could be coming from?

Rajesh Gupta: To reiterate, Vikash-ji, the capacity -- original capacity plan was around 3 million tons. With new technology and new experience of the Indian steel fraternity, we believe we can do a larger plant in the same location, number one. With the confidence that the capital markets have given us as well as our success in the mining of the iron ore, we -- with both those factors together, we are hoping to increase our capacity -- planned capacity.

Those plans have not yet been finalized and nor have been approved by the Board. We are doing various studies, technical, commercial, financial and seeing where the capital should be allocated. Right now, there is no pukka plan made that we can have any announcement on.

Vikas Singh: And just one more question regarding Thriveni. Currently, we are doing a larger part of the revenue coming from our own mining contract. So could you list 2, 3 larger mining contracts, which could come in the next 2 or 3 years, which could give us a little bit of more satisfaction towards the Thriveni growth path for the third party?

Rajesh Gupta: Hemankur mentioned about the Tata contracts.

Vikas Singh: That was smaller. He said that it is a smaller portion basically. We had a plan to grow the top line at 30%. So just wanted to understand from where that 30-plus -- 30% growth for the next 2 years would come.

Rajesh Gupta: The Tata contract would be -- again, hazarding a guess will be 3 million to 4 million tons. The NTPC contracts are going at around 3% to 5% growth. So are the OMC contracts.

Management: And to this new mining iron ore for Dalpahar and Laserda, this is going to add 5 million tons and with a better margin. This year will be the full year's operation. One mine, 1.5 million full-year operation, and 3 million will be at least half of that. So 3 million we are going to increase this year apart from the normal increase in other mines. So we are quite confident that in Odisha itself, we'll be able to achieve around 35 million tons.

Rajesh Gupta: And apart from that, our Geomysore contract is also there, which is the company not owned by Lloyds Metals. So it's a group company. And there also, the contract should be worth -- so the growth that we are projecting includes all these contracts.

Vikas Singh: Noted, sir. And sir, in our context, the bigger or the powerful cost...

Moderator: Sorry to interrupt, Vikash, sir, may I request that you return to question queue for follow-up? The next question is from the line of Siddharth Gadekar from Equirus.

Siddharth Gadekar: Sir, just one last question on the Chemaf debt. Has the restructuring of that debt completed this quarter or it will happen in the next quarter?

Hemankur Upadhyaya: No, it will happen in the next quarter. So there is still time line left for it. So basically, yes, we -- it will be completed before the time line that is due and agreed with the creditors. So part of the debts have been done, like some of the EPC contractors, et cetera, they have been done and settled. But some of the other ones are pending, and they will get completed before the time line expires for them.

Siddharth Gadekar: So technically, our debt will come down by $700 million to $800 million on a consol basis after the restructuring?

Hemankur Upadhyaya: Yes. Once we complete the complete final closure, it depends upon how actually we are refinancing because we are still looking at complete financial closure. So that includes taking some of the debt, which is there. So some of the new debt may replace the older debt, which is there. So yes, but there will be a significant reduction in the overall debt because that debt does include some of the accrued interest penalties, et cetera, from the past. But yes, it will come down by near about, I mean, 40% to 50%.

Moderator: The next question is from the line of Nidhi Awasthi from BigMint.

Nidhi Awasthi: Many congratulations for the numbers. Sir, my first question is, as the company ramps up their iron ore production to 26 million tons and pellet production to around 8 million tons in FY '27, what proportion of the incremental iron ore and pellet volume will actually enter the merchant market? And what proportion will be consumed within the integrated value chain?

Rajesh Gupta: So at the moment, see, going forward to FY '28, we'll have our 1.2 million ton plant commissioned. So between the iron ore and the pellet around 2.4 tons -- 2.4 million tons on a round figure basis would be consumed within the company. Out of this, right now, around 1 million tons is being consumed. So 1.4 million additional will be consumed in the steel plant by FY '28. Beyond that, like I already mentioned, we don't want to hazard a guess regarding the bigger steel plant.

Nidhi Awasthi: Okay. And sir, my second question is, once the BHQ beneficiation plant is operational, what annual saleable output can the company expect from the planned 30 million ton capacity?

Rajesh Gupta: Can you repeat your question, please?

Nidhi Awasthi: Once the BHQ beneficiation plant is operational, what annual saleable output can the company expect from the planned 30 million ton throughput capacity?

Rajesh Gupta: So we would be putting in around 16 million tons of output from that roughly, 16 million to 17 million tons, depending on the yield that we get from the material in 2 phases. There are basically

9 modules. And once we start commissioning the modules one by one, continuously it would be ramped up like that.

Moderator: The next question is from the line of Amay Sharda from Purnartha Investment Advisers.

Amay Sharda: Just wanted to ask what is the reason for this fund raise in Thriveni Earthmovers and Infra, INR650 crores or so fundraise they are doing, and we are helping them.

Management: In fact, we just wanted to reduce our high-cost debt. And at the same time, we are going for capex, capital investment, and we have to invest in our outside subsidiaries also for doing the MDO contract. So for these purposes, as I said in my opening remarks that we are converting a few of our conventional equipment to the electrical equipment. For that, we need funds. We just wanted to replace some high-cost debt also, which we have replaced. And at the same time, we are putting in funds for our overseas subsidiaries where we intend to start the mining operations. So these are the main purpose of raising the funds.

Amay Sharda: And sir, can you also highlight what is the current interest cost that we are paying for this Thriveni business?

Management: Current interest cost for this quarter -- I will just tell you.

Amay Sharda: Yes. As a percentage, like what is the interest percent?

Management: The interest is -- around 9% to 9.5% is the interest. So the -- blended, so Q1, we had paid interest of around INR115 crores.

Amay Sharda: Okay. Okay. Okay. And sir, second question was like when do we expect the Copper business to become profitable? And what kind of margins can we expect from the same?

Rajesh Gupta: I think, sir, this question has been raised earlier by your previous participants. It would be -- I would request you to refer to the transcript later.

Moderator: The next question is from the line of Anjali from Mirania Family Office.

Anjali: I would like to ask 2 questions regarding this. One was that in one of your previous con calls, you highlighted a structural savings of INR4,000 per ton. Can you please provide a granular breakdown of this savings? And I also wanted to know the standard conversion ratios across our value chain from BHQ to iron ore to pellets to DRI. And I also wanted to know about the 950-kilometer slurry pipeline that's mentioned in your website? And how much of like direct shipping iron ore is left in our mine?

Rajesh Gupta: So the longer pipeline is part of the long-term vision of the company and not really a financial plan at the moment. The INR4,000 per ton included the -- I don't remember the figure exactly, but INR2,000 included the Thriveni savings, the savings by consolidating of Thriveni, the pipeline -- slurry pipeline saving, the saving due to fuel efficiencies, et cetera. So it was...

Riyaz Shaikh: It was a mix of everything.

Rajesh Gupta: It was a mix of everything. I would not have the breakup of that. But overall basis, the plan is working well within the plan that we had. And that's why you see an increase of 600 basis points or more in the EBITDA margin. And your one question, I think I missed, if you want to repeat that.

Anjali: Yes, it was about the conversion ratio like from iron ore to pellets to DRIs to steel.

Rajesh Gupta: Iron ore to pellet is around 1.07, which is much more competitive than most of our competitors because of the, let's say, LOI quantum, from pellets to DRI is around 1.5 roughly. And from DRI and blast furnace, there's a factor of various aspects, but I always consider 2 tons of iron ore per ton of steel, give or take a few percentage points within that. But that's a very complicated formula to explain right now.

Anjali: I got this, but just one more thing...

Moderator: Sorry to interrupt, Anjali, ma'am, may we request that you return to the question queue for follow-up? The next question is from the line of Divy Agarwal from Ficom Family Office.

Divy Agarwal: Sir, I just wanted to know about the recent announcement that was done by the DRC government on the ban on exports of copper. So could you throw some light on the potential impact of this move on your business?

Hemankur Upadhyaya: So yes, I mean, DRC government has announced that. But just to give a perspective, actually, DRC has mostly been exporting cathode. There has been very little concentrate which goes out of DRC, and it is limited to mostly some of the players with Chinese shareholders. So in our case, both the assets will be producing final cathodes. So it does not impact us. It might impact some of the players who might have to find extension and maybe put capacity to convert to cathodes ultimately. But on our plant, it does not have any impact.

Divy Agarwal: Got it, sir. Got it. Next, I just wanted to know on the gross margin front...

Moderator: Sorry to interrupt, Divy, sir. May we request that you return to question queue for follow-up? The next question is from the line of Jhalak from Chhatisgarh Investments Limited.

Jhalak: Sir, my question is that the other income has increased to INR128 crores this quarter. So what is the reason of that? Because last quarter, it was INR11.21 crores.

Rajesh Gupta: So part of this increase is due to the IPS from the government and part of it is from interest.

Moderator: The next question is from the line of Harsh Shah from Seven Rivers Holding.

Harsh Shah: My question is on Thriveni. So if we exclude the captive revenue, then I think we have -- sequentially, there has been a very sharp uptick in Thriveni from almost INR1,100 crores to INR1,800 crores. So what kind of -- should we take this as a base for rest of the year? And sequentially, should we grow on top of this?

Management: I couldn't get your question, please. Could you repeat?

Harsh Shah: So my question is for Thriveni. In Thriveni, if we exclude the Lloyds revenue, then sequentially between Q4 FY '26 to Q1 FY '26, we have seen a pretty sharp uptick, almost to the tune of INR1,800 crores to INR1,900 crores of revenue. So how do we see this for the rest of the year?

Management: So rest of the year, as I said, because the other 2 mines are going to have their full potential. And what -- numbers what you are saying is not fully correct because Q1 FY '26, our revenue was INR1,600-odd crores and now this year is around INR2,700-something crores.

Harsh Shah: No, I'm speaking excluding Lloyds revenue.

Management: Yes. Excluding Lloyds revenue because we are going to increase our production in 2 mines in Odisha, scaling up the operation in other mines in Odisha. Gold mining also is going to increase the scale up. PB coal mining also that 3 million tons is going to increase the full production. So we'll be ramping up our revenue in these mines also parallelly. And at the same time, Lloyds also because this 26 to 55, this year, full production will be there. So there also, we'll be getting the full revenue.

Rajesh Gupta: One more thing I would like to add to this, many of the participants are excluding Lloyds or internal sales from the operations of Thriveni. One has to understand that it's a very integral part and both are very, very much married and very, very beneficial to each other. And that is why it's a group, and that's part of the company. So that has to be understood that it's a very symbiotic relationship, which is beneficial on an overall basis, 1 plus 1 and not 2 in this, but it is 111, not even 11. So one has to appreciate that.

Moderator: Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to management for closing comments.

Riyaz Shaikh: Thank you very much, everybody, for your participants -- for your participation and all the wonderful questions. Hope we have replied to all your questions. If you have anything else, you can get in touch with us directly. The numbers and the email IDs are all there on the website as well as in the earnings presentation. So you can just get in touch with us for any further questions. Thank you, Jashandeep and the Nomura team also for holding this earnings call. Thank you once again to everybody. Thank you very much.

Rajesh Gupta: Thank you.

Hemankur Upadhyaya: Thank you.

Moderator: Thank you, sir. On behalf of Lloyds Metals and Energy Limited and Nomura, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: *This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*