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18th November, 2025

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 512455

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

Sub: Transcript of the Conference Call for investors and analysts for Q2 & H1FY26

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 7th November, 2025 regarding Conference call with Analyst(s) /Investor(s) held on Thursday, 13th November, 2025 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: 2025.11.18 16:41:24 +05'30'

Lloyds Metals and Energy Limited
Mumbai

Akshay Vora
Company Secretary
Membership No.: ACS43122

Encl.: as above.

"Lloyds Metals and Energy Limited

2Q & FY '26 Earnings Conference Call"

November 13, 2025

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 AND INFRA PRIVATE LIMITED

MODERATOR: MR. SIDDHARTH GADEKAR – EQUIRUS SECURITIES PRIVATE LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Lloyds Metals and Energy Limited 2Q FY '26 Earnings Conference Call. As a reminder, all participants' lines will be in 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Siddharth Gadekar. Thank you, and over to you, sir.

Siddharth Gadekar: Good evening, everyone, and thank you for joining us today. We at Equirus are pleased to host Lloyds Metals and Energy's Q2 FY '26 Earnings Call. We have with us today Mr. Rajesh Gupta, Managing Director; Mr. Riyaz Shaikh, CFO; and S.K. Naredi, Director Finance of Thriveni. Now I would like to invite Mr. Rajesh Gupta to initiate the proceedings for the results call.

Rajesh Gupta: Good afternoon, everyone. A warm welcome to all of you, and I sincerely thank Siddharth ji and the Equirus team for hosting this call and for their continued support. Let me begin with the big picture headline before we go deeper. This has been a half year where operational commissioning of the pellet plant has taken center stage.

DRI plant has started. The value-added products have further strengthened their profile, and our project pipeline has moved forward as predicted with the planning. Across the board, the business continues to demonstrate resilience and direction.

Let's begin with the projects. The slurry pipeline of 85 kilometers has been one of our biggest enablers this year. And I want to emphasize what the slurry pipeline means. Seamless and reliable evacuation, and we've already seen the advantages in this monsoon, structural cost reduction, lower carbon footprint and most importantly, efficient movement that safeguards our margins even in volatile pricing environment.

This truly market turning point on how to operate and scale. The pellet plant has been ramped up, the first pellet plan of 4 million tons, which began commercial production just at the end of Q1. And in the fourth month of full operation. In October, we have crossed 100% of capacity with a production of 350,000 tons, a little bit more than that.

The pellet plant -- pellet business is already contributing robust EBITDA per metric ton driven by captive ores, slurry pipeline efficiency and industry-leading costing -- conversion costing and conversion and strong realizations due to the strong quality parameters. This value-added mix has now become a core driver of our profitability.

The next project that we have just commissioned is one of the DRI, which has expanded our DRI operations this quarter, just towards the end of this quarter. This strengthens the integrated pathway we are building from mines to pellet to DRI and eventually steel. With regards to other projects, we continue to move forward with all our other major projects with a very disciplined approach.

Pellet plant number two is already in advanced stages, 1.2 million tons of wire rod plant. The groundwork is progressing extremely systematically. The BHQ beneficiation planning and procurement has started. And while land acquisition final state is still going on.

Our overall capex plan remains well-structured and each project is aligned to long-term value creation, not short-term capacity addition. Let me touch base on Thriveni as well. This was the first quarter where the accounts have been consolidated. The EC of our clients in iron ore products has gone up by 35% to 40%. NTPC mines, the EC has gone up by around 20%. Surjagarh mine is also gearing up for full capacity from 10 to 26 million tons.

Operational and capex gearing up is done for these plants. Given our large-scale mining footprint, rain-related interruptions do have an effect on quarterly numbers. However, I want to highlight that lost revenue will be made up in the coming months, and mining operations are now normalized post monsoon. This confidence comes from the capability and depth our teams have built over years of operating in challenging area.

Our Thriveni underlying operations remained very strong and on track. These -- there are multiple positives worth highlighting. The 5-star rating at all the key mines, continuous conversion and induction of electric and LNG hybrid mining equipment. All of this enforces our reason of acquisition of this integrated value proposition of the Lloyds Thriveni platform.

Our policy and our philosophy for all these projects remains the same, plan meticulously, execute swiftly, execute efficiently and build for the next 30 years, not for the 3 quarters. I want to appreciate all our teams at the mines, pellet plants, logistics unit and corporate officers who manage our large-scale operations with nearly 32,000 people now under our hat.

The ability to maintain momentum, innovate on site and push forward despite external challenges, one of our biggest strength. As we look forward to H2, the drivers are firmly in place, full benefit of the slurry pipeline, higher and stabilized pellet output, DRI ramp-up, post monsoon mining stabilization and systematic execution of all the projects already in motion. We remain committed to creating a business at a structurally low cost, fully integrated, environmentally responsible and built to deliver sustainable shareholder value.

With that, let me hand it over to both my colleagues, Riyazji and Narediji, who will take you through the financials and detailed numbers of both the companies. Thank you once again to everyone for joining and special to Siddharth again. Thank you.

Riyaz Shaikh: Thank you, Rajeshji, for the strategic overview. Good evening, everyone. Let me take you through our consolidated financial and operational performance for the second quarter and first half of FY '26, followed by updates on key projects and strategic developments. This quarter has been another strong step forward for Lloyds Metals. We continue to build momentum across all business, translating operational execution into record financial performance.

Starting with the stand-alone numbers. To reiterate, the company has reported its highest ever quarter at half year revenue. Our total income for quarter 2 FY '26 stood at INR25,754 million, up 75% year-on-year, driven by higher iron-ore dispatches, the commencement of pellet sales and improved logistics through the slurry pipeline. For H1 FY '26, total income came in at INR49,838 million, higher by 28% year-on-year.

EBITDA for the quarter was INR8,693 million, up 95% year-on-year with margins at 33.75% expanding by 348 basis points. For the half year, EBITDA stood at INR16,778 million with margins at 33.66% reflecting an improvement of 363 basis points. Profit after tax came in at INR6,056 million for the quarter and INR12,402 million for the half year, both up 22% year-on-year.

These results highlight the growing strength of our integrated operations and the benefit of higher value-added contribution from pellets. As mentioned by Rajeshji, we are getting more and more close towards creating a resilient business, which has minimum to least impact on account of steel cycle volatility. Our margin improvement is both year-on-year and quarter-on-quarter is a validation of our approach.

Having said that now, moving to the segment performance. In iron production for quarter 2 FY '26 stood at 3.42 million tons, while sales were 2.5 million tons up 77% and 10% year-on-year. Realization averaged INR5,571 per ton stable sequentially. EBITDA per ton improved to INR1,781, up 7% year-on-year. These numbers have to be viewed in perspective that despite quarter 2 being the traditionally challenging quarter for mining, due to monsoon, we were able to report such robust growth in production and dispatches.

The newly commissioned pellet plant at Konsari has been ramping up well and has achieved full utilization within 4 months of commencement. This is quite a significant milestone for us. In quarter 2 FY '26 pellet production stood at 0.78 million tons, with realization at INR9,916 per ton and EBITDA per ton at INR5,039. The slurry pipeline and captive ore supply has ensured cost efficiency and strong margins right from the start.

In the DRI and Power segment, DRI volumes stood at 88,200 tons, up 4% year-on-year. Though realizations were muted due to market softness, power volumes were stable and lower, fuel cost -- and lower fuel costs helped maintain operating profitability. On capital expenditure, our focus remains on disciplined execution. We have commissioned our DRI expansion in Ghugus in this quarter, and the plant is ramping up well as we speak. We have spent INR24,117 million during the first half of FY '26 with work progressing simultaneously across all active projects.

Let me also touch upon the Thriveni as well. Thriveni is our subsidiary, which is engaged in MDO and its related services. On a consolidated basis, Thriveni Earthmovers and Infra Private Limited delivered a steady performance. Quarter 2 of the financial year is always a challenging quarter given the monsoon period. This year, monsoon was extended across India, which affected volume to a large extent. However, the team has been quite upbeat for remainder of the year.

To sum up, quarter 2 FY '26 has been a milestone quarter, record revenues, margin expansion, new capacities coming online and successful strategic integration. Each part of the business is now contributing meaningfully to our consolidated strength. With continued execution discipline, the benefit of new capacities and operational synergy from Thriveni and the pellet plant ramp-up, we are confident of sustaining this momentum through the rest of FY '26.

Thank you very much. And we can now open the floor for questions.

Moderator: The first question is from the line of Vikash Singh from ICICI Securities.

Vikash Singh: Congratulations on good set of numbers. Sir, just wanted to understand our iron ore selling strategy going forward, given that the iron ore prices in the domestic market are slightly under pressure. So we are going to have almost 14 million, 15 million tons extra volume. So would we push more volumes or the pricing is something which we keep in mind because that extra volume would further degrade our pricing scenario. So I just wanted to understand overall scenario, how do you see this and the balancing between volumes and realization?

Riyaz Shaikh: So iron ore strategy, we would like to fill our full EC capacity, which this year stands to around 22 million tons. Given the last few months of extra rain, we may have -- we reach between 20 million, 22 million tons. In terms of pricing, pricing is a little down this last 2 months. But prior to that, it has been a little better than the previous quarter year-on-year.

So it is not that it is entirely down. It is softer in a softer regime. And that is the cyclicality of the business, which we are addressing. But we have well executed marketing strategy, including pelletization, including -- using internal DRI as well as captive or nearly captive consumers. So we are quite comfortable in our marketing strategy.

Vikash Singh: Noted. Sir, since we are selling more on the West Coast and international prices are on a declining trend, just wanted to understand your views. Do you see further downside this to the pricing? Or what is the discounts domestic prices are trading at versus the international imported landed price?

Riyaz Shaikh: International price versus domestic price, I think we are trading at a premium of around 35% to 45% roughly, yes, not at a discount to the international price. International price currently, say, January is around $100 for a 61% grade, we are selling at a higher price ex people's factories. So there is a premium.

Vikash Singh: So there...

Riyaz Shaikh: Sorry, there's a discount which is -- I'm sorry, there is a discount which is slightly lesser. It's a steady thing. And I think India is quite deviated from the international pricing in that way. So I don't think that the further reduction has had any effect on the Indian pricing. The pellet prices has come up and come down more because of the steel market, steel cycle being a little weak.

Vikash Singh: Noted. So you don't foresee much of the risk going ahead?

Riyaz Shaikh: I don't foresee anything more than 2%, 3% market up or down in the next 6 months to 9 months.

Vikash Singh: Noted. And sir, regarding Thriveni, if I remember when we were doing the merger, our guidance for FY '26 was somewhere around INR8,000 crores with almost INR2,800 crores of EBITDA, first half seems to be on lopsided. So, do we want to change the guidance on Thriveni? And what caused this basically lower-than-expected achievement?

Rajesh Gupta: The guidance at the time of this merger, when we had bought in this guidance numbers, this was based on 26 million tons of EC of Lloyds metals itself, which we were expecting it to have getting it in the last quarter of the previous year. That has -- which we received only in the month of June this year.

So first quarter, almost after -- at the end of the first quarter. So accordingly, we have already changed this guidance. Whenever we're talking on to everybody, it is -- it won't be those same numbers. Our EBITDA should be anything around INR2,000 crores to INR2,000 crores -- for this year, it should be around INR2,000 crores to INR2,200 crores.

Vikash Singh: Noted. And, sir, just lastly...

Rajesh Gupta: And all this additional EC and the ramp-up in Surjagarh mines as well as the other mines, will all happen in the second half of this year. So we are very confident to getting reaching those numbers.

Vikash Singh: Noted. Sir, just lastly on our upcoming integrated 3 million ton steel plant. So sir, since you are talking about starting the project as soon as first quarter '27, could you give us the product mix which we are thinking of producing there?

Rajesh Gupta: The 3 million to 3 ton steel plant, we're not talking of starting the project...

Riyaz Shaikh: It is a half 50-50 product mix. HR would be 50...

Rajesh Gupta: We will start the work in mid- to end '27, not the plant. We are restarting the composition a little bit. And the land is under acquisition right now. We've given the detailed project study to be made to a big Chinese consultant to understand the full technology upheaval that has happened in the last 3, 4 years and take advantage of that.

So the product will ultimately be a mix between flat products, value-added flat products, value-added structural steel and color coated in terms of value-added HR coils and flat products. It should be a mix between both. Prior to that, in the next year, we should be able to commission our steel plant at Chandrapur, which will be 1.2 million of wire rod plant.

Vikash Singh: No. Actually, what I was coming from your Slide 23, where it has denoted that the construction work itself will start from Q1 FY '27. So based on that, basically, I was just thinking our product profile, basically, how much of the HRC, how much of the TMT or if we are putting CRC, all these would have been...

Rajesh Gupta: Now 3 million tons of...

Vikash Singh: Already worked out. So that's how I was actually questioning the...

Rajesh Gupta: Around 3 -- the current project is based on around 3 million tons of HR coil with further downstream of 2 million tons of cold rolling and HR pickled and further downstream of around 0.5 million tons of color coated and galvanized, that was originally envisaged. And we are under the process of restudying that mix and overall size of the plant, which will come back shortly. We have not started anything other than land procurement at the present point of time.

Moderator: The next question is from the line of Divy Agarwal from Ficom Family Office.

Divy Agarwal: A couple of questions from my side, sir. Sir, firstly, on the gross margin front, so the gross margin has reduced around 79% in the current quarter versus an average of around 87%, 88% historically. So I just wanted to know what led to this deduction? And will it continue in the coming quarters?

Riyaz Shaikh: No, there is no such deduction in the gross margin in this quarter. You're talking of the consol numbers or the...

Divy Agarwal: Stand-alone basis, sir.

Rajesh Gupta: Which is all improved and...

Riyaz Shaikh: It should improve further in the next quarter.

Divy Agarwal: Sure, sir. And secondly, sir, on the Thriveni part. So in the last quarter, it was mentioned that the EBITDA margin should be around 33%, while the numbers reported were around 16%. So just wanted to know what are the -- what is because of this divergence?

Riyaz Shaikh: I'll request Mr. Naredi to address this question.

Management: Yes. Normally, our standard EBITDA margin in our business is around in between 35% to 40%, and we had projected 33%. But last time, it did not reach 33%, it reached only 16.5% in the last first half. The reason being due to lower production, as you are aware, that all our costs are almost fixed, our equipment costs, labor costs, these costs are almost fixed.

And only the variable cost is about the fuel cost. Since there was a lower production almost INR8 million to INR10 million due to what we had planned initially, what was in our forecast, due to that, our production -- our EBITDA margin has gone down. And ultimately, it has impacted on our profitability margin percentage also.

But next quarter -- next half as well as for both the quarters and next half since the volumes are going to be high, ultimately, overall, we'll be able to maintain. And as everybody is aware that since we had to scale up the production to gear up the equipments and all those things, mobilization and all these things, we need to keep on deploying our manpower and equipments at the various sites for LMEL as well as in Odisha other places. So all these things we have incurred costs. And due to that, our EBITDA margin in terms of percentage or in terms of absolute numbers have gone down in this first half.

Divy Agarwal: So from next quarter, would it be back to around 30%, 33%?

Management: Yes, absolutely.

Divy Agarwal: Right. And lastly, on the DRI part, so the realization has been low since like 2, 3 quarters. So what's the realization right now? And are you seeing any signs of improvement there?

Rajesh Gupta: DRI in the secondary steel market, both are suffering quite a lot right now. And the only rainbow that you're seeing is a little reduction in coal price, which has reached its bottom, international coal. I think over the next 2, 3 months, the pricing will come back, especially I think the next quarter. This quarter, I'm still seeing a very subdued market.

Moderator: The next question is from the line of Hardik Gori from Abans PMS.

Hardik Gori: Congratulations on a great set of numbers. Could you share the EBITDA per ton number for DRI in this quarter?

Riyaz Shaikh: The EBITDA per ton for DRI in this quarter has been -- H1 has been INR3,879.

Hardik Gori: Okay. And what is the number for Q2?

Riyaz Shaikh: INR3,150.

Hardik Gori: Got it. Got it. And what was the IPS benefit in Q2 FY '26?

Riyaz Shaikh: IPS we got around INR94 crores as a benefit in Q2.

Hardik Gori: All right. All right, sir. And lastly, sir, if you could share the realized slurry benefit in this quarter?

Management: Slurry per ton?

Hardik Gori: Yes, slurry benefit per ton basis.

Riyaz Shaikh: See, as we've been stating, we saved around INR600 per ton on the slurry pipeline. Around INR600 has been the saving due to the slurry pipeline.

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

Ritesh Bhagwati: My question pertains to our debt situation. So from a stand-alone to consol, I see, we have increased to roughly around INR8,000 crores, that's like an addition of INR6,000 crores. So is it like a project related mostly or it's primarily coming from Thriveni's consolidation? That's my first question.

Riyaz Shaikh: Yes, it's actually coming from Thriveni's consolidation. So INR6,000 crores -- including the RPS, the redeemable preference shares issued to the promoters for taking over of those accounts.

Ritesh Bhagwati: Okay. And also, if you could share any comments on our negative cash conversion that we see on a consol basis?

Riyaz Shaikh: Could you repeat that question?

Ritesh Bhagwati: If it's possible, can you share any comments on our negative cash conversion, CFO on our consol basis versus the stand-alone?

Riyaz Shaikh: Versus the standalone. Part of it is because of the debt I mentioned. Working capital might be a reason for that. I think we'll get back to you, if you can just get in touch with us to Chintan or myself later on, then we'll get back to you on that in detail because as such, we're not able to get what are -- any negative guidance.

Ritesh Bhagwati: Sure, sir. I'll do that.

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

Vinit Thakur: I just wanted to know what is your estimated iron ore supply shortfall that you expect in current year 2026? And what would be your time line for the third pellet plant?

Rajesh Gupta: The maximum that we can do in iron ore this year is around 22 million tons. We would do a minimum of 20 million, 21 million tons of dispatches from the mine. Part of that will be used internally for the pellet and the DRI, the balance will be sold. We will not be having any stock to a large extent. What was the second part of your question?

Riyaz Shaikh: Third pellet...

Vinit Thakur: What would be your timing for the third pellet plant?

Rajesh Gupta: Third pellet plant will be '28, '29 around the time that the third phase of the beneficiation plant is commissioned.

Vinit Thakur: Okay, sir. Noted. And has the IPS benefit been recognized? And what is the total planned capacity of your pellet plants that you're expecting?

Riyaz Shaikh: Total capacity for my pellet plants would be 12 million tons, floating taking all 3 in those lines. And IPS, yes, we've already started. In this quarter, we've got INR94 crore, that has been identified.

Moderator: The next question is from the line of Bhavik Shah from Invexa Capital.

Bhavik Shah: My question is related to the debt. So, at the time of Thriveni acquisition, we were told the enterprise value was around INR5,000 crores, so around INR4,950 crores of debt. But now when we see the September balance sheet, a gross debt stands at around INR8,000 crores -- INR7,980 crores versus INR756 crores in March. So, there is an addition of almost, say, INR7,000-odd crores. So, is this like you have extra debt from Thriveni?

Riyaz Shaikh: It's a console number, that INR7,900 crores is a consol number with Lloyds metals also in it. So as in Lloyds -- as in for Thriveni, the number was around INR5,000 crores. I don't -- when we had INR5,600 crores, which is now around INR6,000 crores, which is on account of the scaling up of the operations. So that's a continuous business. We have to go on for the equipment and -- plus we also have a cash balance of INR400 crores. So the net cash would be always INR5,600 crores.

Bhavik Shah: Okay. So, we have taken around INR6,000 crores from Thriveni as debt, right?

Riyaz Shaikh: Yes, including BRPL.

Bhavik Shah: Understood, sir. Understood. And sir, regarding like capex, we have done around INR2,900 crores...

Riyaz Shaikh: INR2,400 crores in this half year.

Bhavik Shah: Okay. So, what is the guidance for the remaining year?

Riyaz Shaikh: We should be doing around INR5,000 -- of INR4,500 crores to INR5,000 crores in this year. And the next 2 years also should be around INR6,000 crores, INR6,500 crores.

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

Siddharth Gadekar: Sir, my first question is on the Bharat Wire Ropes acquisition where we have acquired some CCPS. Can you just share the rationale behind that? And how do we see that conversion happening over the next 2, 3 years?

Riyaz Shaikh: See it was purely a financial investment. There is no strategic direction attached to this transaction. It is -- this company's position as an industry with a long-term potential. For the risk-reward standpoint, the opportunity was compelling. We are looking at around something around 18% to 20%. And within 18 months is what's supposed to be converted. So that is what we are looking at.

Siddharth Gadekar: Okay. Sir, second question is on the Thriveni operations. When we had done the acquisition we had given a road map where our mining expansion would go up to almost 123 million, 124 million tons once LMEL also ramps up. Where do we stand on that? And over the last 12 months, have we acquired any new projects? Can you give some more color that how should we see '27 and '28 incrementally going ahead?

Rajesh Gupta: In the last year -- this year, we are expecting some increase in our mining operations in Odisha and two new projects which we are proposing to start is one is Indrani Patnaik mines and another is MGM Mines. These are the 2 mines which we propose to increase in Odisha. And in -- on the coal side, there is a -- we have got a contract from NTPC, it's 3 million tons. So that we are also -- now the coal has been already taken out and it will start immediately in this financial year. And the major impact would be the Surjagarh operations where earlier the capacity was 10 million, now we have got that capacity to increase to 26 million. So these 2, 3 things taken together is going to increase the production this year.

Siddharth Gadekar: Sir, by FY '28, any guidance you want to give in terms of volumes for Thriveni?

Rajesh Gupta: FY '20...

Siddharth Gadekar: FY '27 or '28?

Rajesh Gupta: FY '27, we can just give you right now.

Riyaz Shaikh: We'll come back to you by -- before the end of this conversation about '27. We just total up all these figures, and we'll come back to you in the meantime, let's continue with the other questions.

Rajesh Gupta: FY -- revenue guidance of around INR7,800 crores to INR8,000 crores of top line. Tons and cubic meter, I'll just work out and I'll share those things during this...

Moderator: The next question is from the line of Tanmay Choudhary from Ventura Securities.

Tanmay Choudhary: My first question is on the -- can you just give me the ballpark number for the captive consumption like for the entire FY '26, like 22 million tons are targeting, how much goal for the...

Rajesh Gupta: Can you repeat the question, be a bit louder?

Tanmay Choudhary: Am I audible right now?

Rajesh Gupta: Yes, now it's better.

Tanmay Choudhary: Yes. I'm asking like can you give me the ballpark number for the captive consumption over the open market side for the pellet and DRI side for the full year?

Rajesh Gupta: For the next year, the total market -- the self consumption would be around 8 million tons for the pellet plant give or take 0.5 million tons and around -- out of that 8 million ton, 1 million ton or 800,000 tons will be used internally and around 200,000 tons for the DRI, so around 1 point -- 1 million ton, 1.2 million tons will be used for DRI and 8 million ton for pellet.

Tanmay Choudhary: And for the open market iron ore?

Rajesh Gupta: The rest will be open, iron ore, which is, say, around 20 -- sorry, 18 million tons.

Tanmay Choudhary: Okay. And sir, in the second half of the financial year, we're targeting for around 12 million to 14 million tons of -- so can you just throw some light of the evacuation plan and the customer concentration profile for the supply of it?

Rajesh Gupta: The customer profile for the iron ore has remains the same. We are 100% serving our customers in the Chandrapur area, 100% -- not 100%, but out of the non-capital consumption in Raipur, most of the iron ore pellet producers are using from us around 70%, 75%. A lot of the quantity around 40% -- 35%, 40% is going to JSW and JSPL, 100% of our product is going -- of their requirement is being fed by us to them and to Sunflag, which is more or less remained constant for the last 6, 8 months, so it's quite steady.

On the pellet front, we are, again, in our captive area of Chandrapur and Telangana is more or less 100%. We are feeding to RINL. We are feeding to Bhilai, also export around 70,000 tons, 60,000 tons per month we are exporting. So by and large, that is the route we are looking at other markets also. And we have zero stock at the moment.

Tanmay Choudhary: Understood, sir. And sir, like what would be your framework for the evacuation like? How much you are targeting per day of evacuation through transport and through rail and through pipeline?

Rajesh Gupta: Look, by pipeline next year would be around 25,000 tons to 28,000 tons and around 60,000 tons by truck to the siding and to the rest of the market.

Moderator: The next question is from the line of Dhiraj Khadilkar, an Individual Investor.

Dhiraj Khadilkar: Yesterday, we get an update regarding the purchase of 290 acres of land from Bilt Graphic Paper Product Limited. The queries will -- what will be this land be used for? Is it for a wire rod mill or something else? And another query is regarding any update on coal mining block at Madhya Pradesh?

Rajesh Gupta: On the land, the land will be used, it's around 10 kilometer from our Konsari factory. It will be used for 2, 3 purposes, including partly housing, which already exist on the land. We'll also be using it as a switchyard station for the MSEDCL support system. Regarding Madhya Pradesh mining, there is no update at the moment. It is still under study and things like that.

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

Siddharth Gadekar: Sir, just a couple of more questions. So first, on the 1.2 million ton BHQ that you have mined, have you already booked these costs in the quarter? And going ahead, will we see some more BHQ mining done before the BHQ plant comes online?

Rajesh Gupta: The costs have been booked and --- lying-in stock.

Siddharth Gadekar: And over the next 12, 15 months before the BHQ plant comes online, will we see more production on the BHQ side also?

Rajesh Gupta: Yes. Yes, the mining plan indicates that. The exact figures, we would know as the mining progresses.

Siddharth Gadekar: So this would be over and above the 22 million ton guidance that we are talking about, right?

Rajesh Gupta: This is over and above the 22 million tons.

Siddharth Gadekar: Okay. Sir, secondly, on the BHQ plant, when do we expect the first plant to get commissioned and about the ramp-up also how should we think about that?

Rajesh Gupta: Next year, last quarter should be the first unit. There are -- basically there are 3 units of 15 million ton input, each of these 3 units are -- have seen module of 5 million. So basically, we have million 9 models of 5 million tons each. And starting next -- last quarter of next year, we would be doing one, one module every month -- for the first 6 modules. And then based on that, along with the steel plant, we'll be doing the last module.

Siddharth Gadekar: Sir, broadly by FY '28, we should have around 15 million coming from BHQ?

Rajesh Gupta: Output of 10 million tons, input of 30 million tons.

Siddharth Gadekar: Okay. Got it. Sir, secondly, on the pellets, incrementally with our second pellet plant coming in also next year, how should we think about the customer profile moving?

Rajesh Gupta: Customer profile is increasing. We are looking, like I said, at more markets towards the south of India and also more exports with CBAM and all that, we are looking to also export into Europe and things like that. So we're looking at various options and -- we have done the overall working. And at this moment, it's too early to divulge that in the public. But we're very confident of the marketing strategy of that. Like I said earlier, our cost of conversion, our captive mining, etcetera, makes us the lowest-cost producer. Our market strength in India is there, and we hope to capture that also in the international market. Right now, most of our exports are going to China, but we are looking at other areas in Far East, Middle East as well as Europe.

Siddharth Gadekar: Sir, lastly, this quarter, did we have any trading volumes also from pellets or only our own production?

Rajesh Gupta: Can you repeat that question, please?

Siddharth Gadekar: Did we have any trading volumes also from our associated companies on the pellet side?

Rajesh Gupta: So this quarter, the trading was around 2 lakh tons, but of iron ore -- pellet, sorry..

Moderator: The next question is from the line of Vignesh SBK from Ksema Wealth.

Vignesh SBK: So just want to touch up on the debt numbers. So considering the capex of INR6,000 crores, how should we see the debt numbers going forward...

Riyaz Shaikh: INR9,500 crores of an NCD issue. That is what we have planned. So going forward, that is something what we are planning to raise that debt over the next 6 months from now. And working capital is something that we have now -- we've got sanctioned of around INR800 crores of working capital.

Vignesh SBK: So for FY '27, debt number should be around INR9,000 crores, like INR7,500 crores plus...

Riyaz Shaikh: It will be also repaying because the Thriveni loans are getting repaid also every quarter. And even we start repaying from this month as the loans, what we have taken on a short-term basis will all start being repaid. So it would be somewhere -- it should be around INR6,000 crores -- with the NCD is a big amount, so it should be around INR8,000 crores.

Vignesh SBK: Okay. But any other plans for future, it should be around debt raising or mostly equity kind of thing which we are planning for?

Riyaz Shaikh: We are planning to do mostly, it should be the lease debt, so more of internal approvals as such, which will be continuously flowing in. So we're planning aiming for a debt to EBITDA of 1, that's what our aim is, though it would be higher sometimes and it will be always a trailing the next year EBITDA. So we're working on those lines.

Vignesh SBK: Okay. That was helpful. And just on the Thriveni EBITDA, any guidance for the next year? Revenue, I guess it's around INR8,000 crores you are guided for? How about the EBITDA number, sir?

Riyaz Shaikh: INR8,000 crores and around 30%, 35% of opex EBITDA. So I think INR2,000 crores is the right figure that we can look at given the vagaries in this year.

Vignesh SBK: Okay. Okay. And just regarding the IPS benefit from now on, annually, how much should we expect, sir, as a total amount, how much should be releasing?

Riyaz Shaikh: IPS would be around INR1,000 a ton for the pellet and around INR1,200 for the DRI's additional capacity. So around INR350 crores to INR400 crores.

Vignesh SBK: Around -- annually, approximately INR400 crores. Okay.

Rajesh Gupta: It keeps on increasing as we add on the new products.

Moderator: The next question is from the line of Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia: Sir, my first question is on the pellet. So our margins at around INR5,000-odd per ton is much higher than the industry standard. So if you can explain what are the economics here? And assuming today's price, do we expect similar margins to continue on expanded volumes also in coming years?

Rajesh Gupta: So the level of margin is, like I mentioned earlier, amongst the highest in the country, 3, 4 reasons. Number one is captive mine. Number two, captive transfer by the slurry pipeline, saving of INR600 for us and INR1,000 for many other players. Number 3 is an operating cost, which is around INR300 to INR400 lesser. And number four, destination to destination our selling price is around INR200, INR300 higher than anybody else.

So given the factor of all of this, like I have kept saying that our company, we are building a cyclical group industry. So the pellet industry, which is not having a very nice time in the rest of the player -- with the rest of the players. Because of all these reasons, we are quite happy -- we can be happy, but we are quite happy with the progress. The plant has performed very well as for textbook operations.

Our fuel cost is INR9.5. We are going to further reduce our conversion cost by going green in the fuel by LNG in this year -- this month, maybe early next month. 25%, 35% of our power would be green in the next 6 months. And all put together, we would save another INR100, INR150 per ton from these 2 factors alone. So all focused on being cyclical proof. That is our mantra, and we stand by it.

Sumangal Nevatia: Understood. So say INR4,000 to INR5,000 range is sustainable. That is what we can assume?

Rajesh Gupta: Given today's market, at least next to 3 months, I would say a little better or the same. Yes.

Sumangal Nevatia: Understood.

Riyaz Shaikh: I don't see it going below INR4,000 because even at the export level it's INR4,000.

Sumangal Nevatia: Okay. Got it. And sir, one last question on the BHQ plant. Now given the mining has started, what are the reasons for the delay in the beneficiation plant? Or is it some sort of inventory? And are we looking at and then only we would commission...

Rajesh Gupta: Talking of first time industry in the country in one of the very difficult terrains. One of the reasons is that we are waiting for the final clearance for the land. Number 2 reason is that we are identified all the technology and doing the engineering in full depth so that when we go there, we can go full blast. By that time, our pellet plant construction would also be over so that the team can fully focus on that side. So with all of that, I think it's -- it's from the original schedule, we are plus/minus 6 months. So it's within the thought process that we had originally.

Sumangal Nevatia: Understood. And sir, margins would be similar, lower royalty will offset the higher mining costs, etcetera. Is that the right understanding?

Rajesh Gupta: Yes.

Moderator: As there are no further questions, I would now like to hand the conference over to management for closing remarks.

Rajesh Gupta: Thank you, everybody. Thank you for all the support, and we hope to perform well with your blessing and the blessing of the market. The steel industry is going through a tough cycle at the moment, and we hope to cross this by the time our steel plant starts so that when we are on the other side of a steel cycle, we are in full swing on the steel schedule as well. Thank you again.

Moderator: Thank you. On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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