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11th August 2026

The Listing Department National Stock Exchange of India Ltd. Exchange Plaza Plot No.C/1, G. Block Bandra-Kurla Complex Bandra (E) Mumbai-400051 **Stock Symbol & Series : IMFA, EQ**	The Deputy General Manager (Corporate Services) BSE Limited Floor 25, P.J. Towers Dalal Street, Fort Mumbai-400001 **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 August, 2026 on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended 30th June, 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

Q1 FY27 Earnings Conference Call"

August 04, 2026

MANAGEMENT: **MR. SUBHRAKANT PANDA – MANAGING DIRECTOR**

MR. SAUNAK GUPTA –CHIEF FINANCIAL OFFICER

MR. BIJAYANANDA MOHAPATRA – WHOLE-TIME DIRECTOR AND CHIEF OPERATING OFFICER

MR. SURESHBABU CHIGURUPALLI – HEAD, FERRO ALLOYS BUSINESS

MODERATOR: **MR. VAIBHAV GUPTA – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day, and welcome to Indian Metals and Ferro Alloys Limited Q1 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Gupta from Adfactors PR. Thank you, and over to you, Mr. Gupta.

Vaibhav Gupta: Thank you, Ranju. Good evening, everyone, and thank you for joining us on Indian Metal and Ferro Alloys Limited Earnings Conference Call for the first quarter ended 30th June 2026. Today we have with us Mr. Subhrakant Panda, Managing Director; Mr. Saunak Gupta, Chief Financial Officer; Mr. Bijayananda Mohapatra, Whole-Time Director and Chief Operating Officer; Mr. Sureshbabu Chigurupalli, Head of Ferro Alloys Business unit.

We will begin the call with the opening remarks by MD, Mr. Subhrakant Panda, who will provide an overview of the company's business performance, the operational developments and the outlook of 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 or discussed on today's call may be forward-looking in nature and should be viewed in the conjunction of the risks and the uncertainties that the company faces. A detailed explanation of this 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, Vaibhav. At the outset, let me welcome all of you who have taken time out from your busy schedules to attend this investor con call to discuss IMFA's Q1 FY27 results. As I'm sure you will agree, this is a real breakthrough quarter where in terms of both revenues as well as profitability, it's the highest ever.

And that's a reflection of not just firm prices but also tonnage from our KNR-2 acquisition coming into play. I will not get into the details of output and all of that because that's shared as part of the presentation, which we have uploaded to the stock exchanges. But suffice it to say that as against average output of about 65,000 tons in a quarter, in Q1, we have touched 80,000 tons.

As you know that going ahead, we are also looking to commission the KNR-1 greenfield project, where the first furnace we have already initiated the process of heating the refractory lining, so we expect first tapping around the third week of this month. What we are looking at from the core business, which is ferro alloys, is that there is substantially more tonnage waiting to come online.

That will help us going ahead, deliver record performance. Just to put that in perspective that, as I mentioned in Q1 FY27, we are looking at about 80,000 tons. But when all furnaces are up and running, which we expect by in fourth quarter when everything is stabilized that we will be looking at about 120,000 odd tons. So, there is a full 50% increase in tonnage, which is coming.

One point here I would like to point out that in all our interactions, we had, we generally don't give any guidance with regard to tonnage, but given that there is so much happening in terms of greenfield, in terms of the acquisition, etc., so we had given some indications.

As far as FY27 is concerned, we had indicated 400,000 tons, but we going to tone it down a little bit because while we were able to switch on all furnaces at KNR-2 in the month of March and, in fact, got a little bit of production, but some of the transformers we have, we feel should not be loaded beyond a certain point. So, we are taking it a little safe, if I can put it that way.

We have already ordered 2 sets of transformers plus a spare. Sometimes in Q2 or Q3, we will be looking to replace the 2 sets of transformers where we have a little bit of concern. And secondly, as far as the gas cleaning plant is concerned, again, some work needs to be done on that.

And therefore, we are restricting load a little bit to ensure that we comply with emission norms. When all of that is sorted out, I think we will be able to push the load higher as we had indicated. But as I said, just to be transparent and clear, we're toning down the guidance a little bit for FY27.

I think there will be a lot of questions. So, let's go into the Q&A mode, and I'll do my best along with my team to respond to your queries. Thank you.

Moderator: Shall we open the line for questions?

Subhrakant Panda: Yes, please. Go ahead.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Joe Shah with Seven Seas.

Joe Shah: A bit busy day because after AGM, we are starting with the con call. Anyways, Mr. Panda, I understand we expect to sell ferrochrome to India, and I understand that ferrochrome demand in India is a bit weak, mainly because of stainless steel flats are imported from China and stainless-steel producers are happy converting them into finished products.

So, benefit of ferrochrome, even though is going to China and not to India. So right now, in steel product, there should be restrictions on imports of stainless steel, especially stainless-steel flats. So, they will have to import stainless steel flats to India using Indian ferrochrome. This is one suggestion. I need your comments?

Subhrakant Panda: I would not like to comment on that because there are multiple issues in terms of demand-supply and other issues. It would not be prudent of me to comment. But yes, in general, I have always held a view that whether it comes to stainless steel or any other commodity or any other product Indian industry is confident and wants a level playing field. So, if there is unfair competition, then that is something that should be looked into. But I would just like to limit my comments to that much.

Joe Shah: Now ferrochrome production of Samancor and Glencore from South Africa will start and expectation is that they will produce 4.5 million tons of ferrochrome per year. So now what will be its impact on short-term ferrochrome prices as well as on chrome ore prices? I understand from our MD's comment that in the past that in long term, it will balance out because Chinese ferrochrome production will shift to South Africa. But what will be the impact on short-term impact on ferrochrome prices?

Subhrakant Panda: Thank you for your question. So, as we have discussed in the past, my view is that the special tariff, which has been announced by Eskom for South African producers or other 2 producers, I mean, certainly makes South African ferrochrome more competitive. I think the jury is still out as to how competitive they become with this power tariff.

But having said that, generally, our expectation is that we would expect to see in terms of chrome units, that means if the South African producers consume more chrome ore themselves, then it would logically should lead to less chrome ore being available for Chinese.

Now again, something which is evident is that if South African production increases, and I don't think the number of 4.5 million is right because at the moment, only Glencore has switched on, I believe, Line 1, and Suresh might have the numbers, but I think it's something like 700,000, 800,000 tons expectation, including others.

But whatever the number is that clearly, if ferrochrome production in South Africa goes up and China doesn't compensate in terms of lesser output, then you will see some sort of glut. And that is going to impact everybody, including the South African producers themselves because they have made it repeatedly clear that $0.62 is not something which is very, very attractive, but something that they need to get to stay in the game.

Having said that, we are confident about our competitiveness and our resilience. And we believe that with different sectors also starting to ask for special tariffs like manganese, etc., that we may see some short-term turmoil; even that I'm not so sure. But clearly, I think it should balance each other out.

And that is where also the point I made at the beginning that even if we see some price correction, please keep in mind that we have another 50% volume coming in. So that will certainly provide a boost to our numbers in subsequent quarters. By the grace of God, we are quite confident.

Moderator: Next question comes from the line of Disha Chamriya with Trinetra Asset Managers.

Disha Chamriya: So, my question was that you have already answered it halfway. So given the current ferrochrome pricing environment, where does our company believe it sits on the global cost curve? Like have there been any recent operational initiatives that have strengthened your competitive position related to the South African and Kazakh producers?

Subhrakant Panda: It's very difficult to accurately pinpoint where we stand. But suffice it to say that we are fairly competitive and resilient, as I mentioned a little while ago. And therefore, what we believe is that we will be able to hold our own whatever may be the circumstances. The situation is not as gloomy as one might think.

As I said, very clearly, we expect that increase in ferrochrome production in South Africa should lead to a reduction in chrome ore because if that doesn't happen, then this whole exercise of giving a special tariff to encourage restarts will not work out well. So that is one.

So, we are fairly competitive on a global scale, if I can put it. I can ask Suresh to sort of talk a little bit about some of the initiatives that we have done in terms of digital and other Kaizen initiatives, etc., that we are taking. Suresh, in a couple of minutes, if you can just give a little update on some of the initiatives you have been spearheading to enhance our competitiveness.

Sureshbabu Chigurupalli: Thank you for that. We have initiated digital projects in one of our locations, and we are already deploying in other locations also. This is basically to lead the operation at international level and cost optimization model. And we are also reshaping the Kaizen's theory, like, at different locations to optimize the cost. So, we will be very competent as far as the throughput is concerned.

Disha Chamriya: Got it, sir. and also, China is like the key driver for global ferrochrome demand and based on your personal interaction during the quarter one, are we seeing any improvement in the stainless-steel production, or inventory replacement or how does that shape your outlook for the second half of the FY27?

Subhrakant Panda: I don't think I have the numbers for FY27. But yes, stainless steel production has grown. I mean it may not be very aggressive growth, but about 2.5% to 3% growth is there globally if you look at it.

And secondly, I think from a point of view of what is supporting prices at the moment, it is actually cost pressures because of availability of ore and pricing of ore, which is supporting ferrochrome prices. And of course, as you well know that because we have a captive chrome ore mines, we are, by and large, insulated from that situation.

Moderator: Next question comes from the line of Parthiv Jhonsa with Anand Rathi.

Parthiv Jhonsa: Congratulations on a great set of numbers on the record quarter. It was a fantastic result, sir. Sir, I just wanted to quickly check on a couple of things. I'm sorry, actually, I missed your opening remark. I just wanted to get your understanding on this entire South Africa now considering that the volumes have actually started picking up from Merafe, though they are down compared to last year, but they are still much higher than Q1. So, what is your understanding on that? Because eventually, they would be selling it to China at the end of the day.

Subhrakant Panda: Yes. So, a couple of things on that, Parthiv, As we have discussed on the call, I have discussed on the call several times in the past 2 quarters that unquestionably with $0.62 tariff being available to Glencore and Samancor that they have switched on their more efficient furnaces and that is what you're seeing an increase in output.

And as you correctly said, it is more than what it was in Q1 of the calendar year, but less than the corresponding quarter. So again, we believe that this needs to be looked at in terms of chrome units. That is if ferrochrome increases, then logically chrome ore supply should reduce. And that will impact ferrochrome production in China.

Having said that, if that were not to happen for whatever reason, keep in mind that South African miners and integrated producers have the possibility of selling just the ore. So, it doesn't make sense logically speaking, to convert it into ferrochrome and drive down prices and make less money themselves and for everybody else. But where is that balancing point or that tipping point? And is it possible to fine-tune it to that with that efficiency? It's I think we'll have to wait and watch.

But the other point I made in my opening remarks is that as against 65,000 tons production on average in Q1 FY27, we have a volume of 80,000 tons. And by the end of the financial year, that is, so the fourth quarter, which is January to March 2027, we will be looking at a full 50% higher volume at roughly about 120,000, 125,000 tons per month.

Parthiv, I don't know if you caught my other comment about, we are slightly toning down the production guidance at KNR overall because we were indicating about 400,000 tons for FY27. But while we have been able to start the 4 furnaces at KNR-2, but a couple of furnaces, I think we are not loading the transformers fully because these are units which have not operated for a long time. And therefore, we have ordered 2 full sets of transformers and a spare.

And over the course of Q2 and Q3, we will be replacing the slightly doubtful transformers with the new ones and also some work on GCP needs to be done. These are the unexpected surprises that one has when it comes to an acquisition, especially one which had not been running. But this is par for the course. And again, from a results perspective, I mean, even with these volumes, we are expecting fairly attractive numbers in Q2 and going ahead.

Parthiv Jhonsa: Okay. That's actually quite helpful. So basically, when you say 120 run rate, you mean to say volumes for '27 will be about 360, 380 kinds of range.

Subhrakant Panda: 380 is what we are expecting for the year. If you remember, we had said 400,000 tons. That's where we were hoping that we can based on what we had seen during all the checkups that we had done while taking over the unit that we will be able to load it a little more. Broadly, again, Suresh, I think, can confirm, but about 6 to 7 megawatts is lesser loading is happening.

They also didn't have adequate power availability. So that has come through another, Suresh, how much? 15 MVA.

Sureshbabu Chigurupalli: 15 MVA is, load.

Subhrakant Panda: So, all of that will impact tonnage a little bit. But as I said, prices at the moment are more than making up. And even 380 plus will still be a significant boost in terms of tonnage.

Moderator: Next question comes from the line of Manan Vandur with Walfort PMS.

Manan Vandur: Congratulations on the number. Sir, just the question was that earlier 2, 3 quarters back, once about the EBITDA profit, you had stated that our average EBITDA would be around INR20,000. But then you said that because of the plants being closer to the different ports, it's going to help us and raise it to around INR22,000 something. So just needed an understanding that are we still on par with that or is it going to be higher about INR25,000, not just because the realizations are better right now, just in general over a long period.

Subhrakant Panda: So, a couple of questions. We actually don't give EBITDA guidance in terms of specific numbers, what we expect per ton. But certainly, what I had indicated is that both KNR-1 and KNR-2 are more competitive than Therubali in terms of cost of production. And therefore, once KNR-1 and KNR-2 all stabilize and we get to that 500,000 tons production in a smooth manner, then we will see our margins improve by about INR1,500 to INR2,000.

That is what I had said. Now at the moment, on a per ton basis, if you look at for Q1, obviously, the number is a lot higher because what we are seeing is our selling price being just shy of INR120,000, blended selling price. So that is significantly higher.

And secondly, the point I had made is that just being a little conservative in making this statement that whatever you see a correction or don't see a correction, we have a lot of volume coming online, which will boost the overall performance. So that's the specific statement.

Moderator: Next question comes from the line of Parthiv Jhonsa with Anand Rathi.

Parthiv Jhonsa: Yes. Sir, I just wanted to quickly take the previous question forward. Considering the EBITDA per ton has actually substantially improved, I agree pricing had to play a lot of role in it. But have the benefits of that KNR-1 and 2 started coming in, the added or enhanced EBITDA per ton?

Subhrakant Panda: Not that much. And the reason I would say that is when you are ramping upload, that's where for some time, you are consuming power without any output and all of that. So, a lot of inefficiencies are there in the initial period. So, some benefit is there. It's very difficult to quantify it because, as I said, for example, we have the renewable energy contract that we have signed up with JSW Energy.

Now we have had that corridor since June, and we are expecting the power to flow in August. So, I mean, it's maybe INR1 crores or so a month, but those little inefficiencies are there. But then it's next to impossible to absolutely synchronize it, fine-tune it to that extent.

That is where I'm saying that we will see the benefit of Kalinganagar in its fullest form probably from Q4 of this year, assuming that we are able to smoothly operate the 4 furnaces at a higher load at KNR-2 as well as the 2 furnaces at KNR-1.

Parthiv Jhonsa: Got it, sir. And sir, my last question is pertaining to the inventory. Just wanted to get inventory and the other expenses. Just wanted to get a sense of what is the closing stock on books as on date? And the other expenses were relatively lower Q-o-Q. So, what has led to that dip in lower other expenses?

Subhrakant Panda: Saunak, would you be able to answer that, please?

Saunak Gupta: Yes, on your second question, I will answer it first relating to other expenses. As you know, in quarter 4, we had said that since the forex USD had gone up from Q3 to Q4 range from INR89.9 to INR94.65, the exports proceeds are hedged. MTM, that is a mark-to-market impact of INR32 crores had reflected in our financials as a negative for Q4. But for quarter 1 end, more or less the currencies have remained stable. So INR32 crores impact is not there in Q1. In fact, we had got some forex gain during this quarter. That's where the maximum amount of benefit had come on the other expenses.

Besides whatever cost efficiency initiatives we have taken, specifically on the predictable maintenance and shutdown, there is also some cost benefit. These 2 adds up to the lower other expenses.

And on the inventory side, ferrochrome is under control as per whatever is the inventory plan. On the chrome ore, we have stacked up to meet whatever is our additional capacity requirement for next 1 year. So approximately chrome ore stock of 6 lakh tons is there with us.

Subhrakant Panda: And Parthiv, I'd like to add one more point that in the context of systematically increasing our ferrochrome output, we'll also have to build up a little bit of ferrochrome stock because that's about 17,000, 18,000 tons, which works well when we have only 2 locations. But now that we have a third location and higher tonnages. So, this is where over the next 1 or 2 quarters, we will be sort of making sure that everything sort of settles down in a manner which is efficient.

That is why I'm repeatedly saying that Q4 onwards is when we expect to see smooth operations with ferrochrome inventory having reached the level that we wanted to reach for a given a higher output. So, all those things will settle down by fourth quarter.

Moderator: Next question comes from the line of Harsh Vasa with SBICAP Securities.

Harsh Vasa: Congratulations, sir, and your team on fantastic results. Sir, one of my questions already answered, but it was just pertaining to selling price. As you all know that the realization per ton was around INR119,000 this quarter. So, is this trend continuing for 2Q as well like currently?

Subhrakant Panda: So Harsh, we don't generally give a guidance beyond a quarter or so because it's difficult. But having said that, Q2, we are seeing more or less results at the same level, a little bit of correction. But again, volumes will make up for a minor correction in price that we are seeing. Beyond that, let's see how it plays out.

Broadly speaking, I'm quite confident that the cost structure is such and it's not a question of Chinese buyers are just sitting, South Africans will come and they will, the tonnages will simply shoot up because I think the disruption which was there in South Africa means that they are very clear that companies like us, which have really worked with them to sort of have a stable relationship, we will continue to sort of get, I can't call it preferential treatment, but certainly some degree of understanding that it's a good idea to keep our supplies in the mix.

Moderator: Next question comes from the line of Aashav Patel with Molecule Ventures.

Aashav Patel: Congratulations on a blockbuster set of numbers, sir. This quarterly result actually puts us in a different league altogether. This is the first time we are seeing the full benefit of the integrated business model, which we boast about. So, my question is, sir, regarding the Q2 volume guidance. I agree that we cannot envisage a year out.

But at least for Q2, now that the KNR-2 has been operating at optimum utilization, at least the 2 ongoing furnaces, can we expect Q2 to have at least upwards of 90,000 metric tons sort of volume?

Subhrakant Panda: Look, I don't want to get into the specifics of numbers. In terms of production, we will certainly go up further beyond where we are at the moment. But as I mentioned, we are also looking to build up a little bit of stock because, I mean, if I just give you some a theoretical, 17,000, 18,000 tones ferrochrome stock is okay when you're producing 265. When but you're producing 400 or 450, it's not adequate. So those little balancing will happen.

And Aashav, I will reiterate a point which I have always made, which is that I advise investors not to look at IMFA from quarter-on-quarter basis or what we will achieve this quarter or next quarter.

But I mean, certainly, we are answerable. We should have a general trajectory, upward trajectory. But whether it is 84 or 86 or 82 is not that relevant as how quickly are we able to get to 500,000 tons and maintain that. So that's been our approach rather than a short-term play of what exactly we will get during this quarter. Saunak, I don't know if you have anything to add?

Saunak Gupta: Yes, what you said is correct. That for the quarter 2, the average price realization is expected to be more or less same. On the volume-wise, there will be some incremental volume, but since we are building up the ferrochrome stock, it is expected to be marginal.

Subhrakant Panda: Broadly.

Aashav Patel: Sure, sure. So just to zoom it out and see on a yearly stance. So, I understand that this time around, what we have delivered is absolutely robust 30% operating margin, 35,000 metric ton EBITDA. This is the cyclical pick which we used to do. And this we are able to do when the industry cycle is at median level.

This, in fact, reflects our benefit of captive ore. So, can we just at least assume that even if there is a bit of reduction in expected volumes by 5%, can we expect at least the quarterly EBITDA, which we posted on Q1, can we analyse that given the volume uptick which we are seeing ahead of us?

Subhrakant Panda: So, in the interest of transparency, because we had talked about 400,000 tons for FY '27 at various forums, I wanted to put that out there. As I said, we don't give a guidance per se, but if you have stated a number, it is better for us to clarify why we are not achieving that number.

But that apart, I think annualizing this EBITDA, again, calls for us to look at what the numbers and the margins will be 2 or 3 quarters hence, which I don't want to do. I am quietly confident, but what those numbers are, will it be slightly up, slightly down, is not something I would like to get into. Because again, I would reiterate that I think it's better to look at the general trajectory or the general sort of strength of IMFA rather than look at specifics in a quarter.

Moderator: Next question comes from the line of Divy Agrawal with Ficom Family Office.

Divy Agrawal: I had one question regarding the expansion of FACOR. So, they've announced that they'll be increasing their capacity from 145,000 tons to 5 lakh tons by FY '28. And at the same time, IMFA has guided to increase the domestic sales to 40% of the total volumes.

So, in light of these capacity additions, how do you assess the domestic ferrochrome market over the next 2 to 3 years? Do you expect any extra supply to create an oversupply situation or expect pressure on domestic pricing and margins?

Subhrakant Panda: I obviously wouldn't want to comment on FACOR's plans and their timelines. That is for them to clarify to the markets and to investors. But broadly, what we believe is that Indian ferrochrome demand is growing because stainless steel is growing. There have been some cutbacks. So, while we have added and FACOR is talking about adding, but there have been some cutbacks also.

I don't see any difficulties in that regard. In any case, like I have always said that, I mean, whether we sell domestically or we export, there is not that much of a price difference because, I mean, the duty protection is hardly 2%, 3% or something of that sort. So, we always retain the ability to sell more outside if you want to. But I mean, export is more.

But our approach has been we are the largest producer. I think it is incumbent upon us to ensure that the domestic ferrochrome demand is adequately met. And by no means do we feel that we are the only ones to do it. I mean, others moving ahead with their plans is more than welcome.

Moderator: Next question comes from the line of Vinit Thakur with Plus91 AMC.

Vinit Thakur: Congratulations on a great set of numbers. Sir, I joined late, my question is repetitive. But could you just explain to me the increment in the margins, what has led to it and what would be sustainable margins going forward as well?

Subhrakant Panda: Very clearly, prices have moved up substantially. So that is what has added. But in terms of the overall number, our volume is also on the way up. So as against the standard of about 65,000 tons, we have produced and sold about roughly 80,000 tons. It's a combination of volume as well as prices moving up. And like I said, we have more volume coming online in the next 1 to 2 quarters. we are quite confident about the numbers that we will churn out.

Vinit Thakur: So, post the new plant, I think the Kalinganagar plant, what would be our capacity going forward?

Subhrakant Panda: As I said, our capacity will be about a little more than 0.5 million tons. We are expecting in FY '27 about 380,000 tons, which is a slight reduction from what we had indicated earlier. And we are still maintaining 475,000 to 500,000 tons for FY '28.

Vinit Thakur: Production or capacity, sir?

Subhrakant Panda: Production.

Vinit Thakur: Production of 0.5 million ton in '28, you're saying. Could you comment on the West Asia crisis and how has that led to IMFA's margin incremental or what is the industry scenario going forward now post the West Asia crisis?

Subhrakant Panda: Fortunately, for us, no impact of the West Asia crisis because we don't import anything from West Asia or sell anything to West Asia. In the initial days, certainly, there was a little bit of disruption in terms of container availability and all of that, but that has, by and large, settled down.

But many of the fact that we are 95% exports at this stage and a lot of that is going to the Far East, which is not affected by this is obviously beneficial. And secondly, when we talk about gas requirement and all of that, that's not relevant for any of us. Fortunately, we have not had any noticeable impact. Yes, domestic freight and export freight has gone up a little bit, but prices have more than made up for that.

Moderator: Next question comes from the line of Shubham Purohit with SBI Securities.

Shubham Purohit: Congratulations to the entire team for posting such a strong result. So, sir, my question is regarding the met coke cost. So recently, we have seen the met coke prices have declined or have corrected for quite some amount. And the question pertains that the bookings that we have done during the current quarter, that is Q2. So, is the effect of those declining prices expected to be seen in the upcoming quarters, let's say, Q3 or Q4?

Subhrakant Panda: Actually, met coke prices have moved up a little bit. I don't know about coking coal, but as far as metallurgical coke is concerned, it's moved up a little bit on account of Colombia, etc., their currency depreciation. But again, these are, I mean, prices, by and large, have made up for all of those things.

Shubham Purohit: Okay. So, a small uptick would be the impact that we would see in the met coke prices?

Subhrakant Panda: It may not be in Q2, maybe in Q3.

Shubham Purohit: 3 months, let's say.

Moderator: Next question comes from the line of Yash Lahoti with SOIC Research. Since there is no reply from the line of Mr. Lahoti, we will promote the next line. That is Mr. Sanket Kapoor from Kapoor & Co.

Sanket Kapoor: Sir, as you mentioned correctly that the price trends are more likely to be in the same vicinity of closer to INR120,000 or is it difficult to hazard a guess for the ensuing quarter? And since sir, you have already always spoken that for you, the visibility for a quarter or max 2 is what you can guide us.

So, taking that into account, what should be then the reasonable EBITDA run rate on top of 281 which we did for Q1, what should we model in for the coming 2 quarters at least? Or what is the visibility for you in front of you?

Subhrakant Panda: Again, I don't want to get into too much of guidance. But clearly, as far as prices are concerned, in Q2, we are seeing, broadly speaking, similar prices, maybe slight correction. But we will also have a slight tonnage extra in Q2 to make up for it. And Q3 and Q4 is when we will have much larger tonnage coming online. So, while I'm not saying that prices will go down, but I would not want to hazard a guess. But on an overall basis, I think we are fairly confident of delivering robust numbers.

Sanket Kapoor: We can take this Q1 number of FY '27 as a base for this current financial year.

Subhrakant Panda: Well, let me not make a definitive statement because we are seeing prices at recent highs, but there is still 50% tonnage waiting to come. So that's where even any slight correction will get balanced out is what we believe. But again, I would not want to be drawn into giving specific numbers because I think that would not be appropriate.

Moderator: Next question comes from the line of Anant Sarda with Chhattisgarh Investment Limited.

Anant Sarda: Congratulations for the brilliant set of results. I just have one question, sir. We had a 50,000 ton furnace in the KNR-2, in which there was some kind of environmental clearance pending. Do we have clarity on that, sir?

Subhrakant Panda: Not at the moment. We are hoping that somewhere around middle of next year is when we can do that. In fact, at the current Board meeting, we have also approved a slightly higher budget because, again, when we do a more detailed review of what is the situation and what work remains to be done. So, a little bit of another INR15 crores, INR20 crores or so is what we have approved in this budget.

Somewhere around middle of next year or thereabouts. I mean, I don't want to give a definitive answer at this point in time because, again, we will need to now move ahead on the environment clearance and all of that. But let's see, certainly, we are keen on getting that going as quickly as possible.

Anant Sarda: So just to clarify, sir, you're saying that by the middle of next year sometime next year, you will have some clarity in further quarters, the furnace will be operational, correct, sir?

Subhrakant Panda: No. What I'm saying is in the next 3 or 4 months, we will have clarity whether that furnace will be up and running by middle of 2027 or slightly longer or something of that sort.

Moderator: Next question comes from the line of Pranav Jain with Ageless Capital and Finance.

Pranav Jain: Congratulations on the good set of results. Very happy to see the company outperform. Sir, just going back to Q4, where you had mentioned that there might be a onetime increase in cost due to the ramp-up of production and which is visible in this quarter. Just want to understand, is this the peak as to what our cost escalation might be at least till Q3 since from Q4, once our operations stabilize, we can see a potential benefit like you had mentioned?

Subhrakant Panda: So, look, from a cost escalation perspective, there are 2 things. One is the fixed cost, which is divided over a larger tonnage. So that will enhance. But obviously, the variable cost in terms of met coke and other things have moved up or down a little bit. That's hard to say at this point in time. We are not seeing significant risks on that front, having said that.

Pranav Jain: And sir, secondly, just my one last question. We've seen ferrochrome prices correct a little. And since it is passed on with a lag, while Q2 is stable, as mentioned, Q3, Q4 might see a larger dip in realizations since we already have a visibility of that?

Subhrakant Panda: No, we don't have visibility or whatever visibility we have. I'm not comfortable sharing it. As I said, one has to wait and watch because there are multiple factors. There are over availability and pricing is a concern. So, it's not so simple for ferrochrome prices to dip also.

But having said that, we definitely don't give a guidance for Q3 and Q4. So, one is to just wait and watch. What I will say, repeat, is that we certainly have higher volumes coming on which will see us delivering a robust set of numbers going ahead.

Moderator: Next question comes from the line of Joe Shah, Seven Seas.

Joe Shah: I want to understand the timeline for auctioning of polymetallic mine with the composite license. I understand that a deadline is 31st March 2027. Am I right?

Subhrakant Panda: What auction are you talking about?

Joe Shah: Polymetallic mine with the composite license.

Subhrakant Panda: No, I have not kept up with that. So, I would not like to comment until I look into that a little bit.

Joe Shah: Okay. Now coming to Iran talk optimism, we believe that general belief is that Iran war has to come to an end in 6 months' time, it will lead to reconstruction demand for stainless steel 316L. That will be a huge demand. So, what is your take on that?

Subhrakant Panda: Certainly, when all these geopolitical conflicts simmer down and settle down, whether it is there or whether it is Ukraine, Russia, etc., certainly, there will be demand. But I mean, even from an Indian perspective, there is significant capex outlay for public infrastructure. And we are now seeing that switch where a lot more stainless steel is being used than before. So, I think within India also, I believe that there is significant demand, which we and others can cater to.

Moderator: Next question comes from the line of Deepak Pandey, Sagun Capital.

Deepak Pandey: Congrats on a good set of numbers. Sir, there was some sort of entry into critical minerals. Any comment on that?

Subhrakant Panda: That is something we have very clearly said that critical minerals are something we are interested in because it's certainly adjacent to our skill set. We have looked at a couple of blocks but have unfortunately not been successful in the bid. So that is something that we will keep on trying to see if we can make a breakthrough in that. But yes, critical minerals do remain an area of interest for us.

Moderator: Next question comes from the line of Sanket Kapoor with Kapoor & Co.

Sanket Kapoor: Just in continuation to the same, sir, how have we tied up for the selling of the incremental capacity? I think we were more inclined to sell domestically. So how are things shaping up? And with respect to the key raw material for the coking coal, the met coke part, I missed your comment, how those prices are currently trending? These 2 questions.

Subhrakant Panda: Met coke prices have moved up a little bit, not terribly, but moved up a little bit, which is again what happens if ferrochrome prices are high. Secondly, in Colombia, etc., there is currency depreciation. All of that is having a factor. But in as much as selling ferrochrome is concerned, as I said, it is something that we can very easily adjust from domestic to export and export to domestic.

Of course, with long-term customers where we have a minimum base tonnage, we will not go below that. But broadly, Suresh, I think in Q1, if I recall correctly, about 15% to 18% domestic sales. Is that right?

Sureshbabu Chigurupalli: Yes, around 19% we have sold in domestic.

Subhrakant Panda: Yes. So that is something that we can cater to, as I said, I mean, not from a point of view of price because clearly, there is very little duty protection. And therefore, by and large, there is parity between domestic and international prices. The only difference is the timing of confirming an order.

But I mean, both from a domestic consumer point of view as well as some of our export consumers, customers, there is interest in picking up tonnage. So, as I said repeatedly, we don't see any concern on that front.

Sanket Kapoor: Sir, Slide Number 10 speaks about our EBITDA cost per metric ton rising from closer to 82,000 tons to 86,000. So, as you mentioned that the prices moved up and the other RM prices also improved. So, taking into account the current setup, what should be the cost per metric ton trajectory shaping up going ahead? Or what kind of inflationary trend can we expect on this front?

Subhrakant Panda: Broadly, I think the biggest advantage for us is the fact that chrome ore is sourced from our captive mines because that is the biggest input to the cost of production. So that is by and large under control. And I mean, only if royalty prices move up a little bit, that has an impact.

Secondly, as far as met coke and all that is concerned, a little bit up and down does happen, as I said, on account of currency depreciation in Colombia on account of ferrochrome prices staying high.

All of that sort of translates through into input costs moving up a little bit. But that is the classical time lag as one of the earlier investors asked in the question, that classical time lag between stainless steel ferrochrome and chrome ore and metallurgical coke, except in our case, chrome ore is not impacted, but other things move up and down a little bit.

Moderator: Next question comes from the line of Harsh Diwakar, an individual investor.

Harsh Diwakar: Congratulations for the best record results regarding the revenue and the profit. I had some 1 or 2 questions regarding some coke since we had been impacted by the Middle East war due to the U.S.A. and Iran, how does it impact the coke consumption and prices.

Subhrakant Panda: As I clarified just a couple of questions ago that no impact as far as the West Asia crisis is concerned because we neither import anything nor sell anything there. But yes, certainly, freight costs, both domestic and otherwise have gone up a little bit, but nothing significant.

Harsh Diwakar: Okay. And one more question. What is the specific like what's the coke consumption per ton of ferrochrome and ore consumption per ton of ferrochrome as of now?

Subhrakant Panda: So broadly, that's 0.65 kilograms of coke and broadly 2.5 tons of chrome ore.

Moderator: Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I now hand the conference over to Mr. Subhrakant Panda, MD, for closing comments.

Subhrakant Panda: Thank you very much for taking time out to discuss. And if there are any questions that we have not been able to answer or if there were others in the queue who would like to reach out, please reach out to Investor Relations, and we will certainly make an attempt to revert to you.

And going ahead, we are eagerly waiting for the first furnace at KNR-1 to start producing later this month. We will, of course, alert that, give an update about that. And secondly, of course, the second furnace we are expecting by end September, early October to come online. We will keep sharing regular updates. Thank you.

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