

13th February 2026

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Stock Symbol & Series : IMFA, EQ

The Deputy General Manager
(Corporate Services)
BSE Limited
Floor 25, P.J. Towers
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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 06th February 2026 on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December 2025 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
Q3 FY '26 Earnings Conference Call”**

February 06, 2026



MANAGEMENT: **MR. SUBHRAKANT PANDA – MANAGING DIRECTOR**
MR. SAUNAK GUPTA – CHIEF FINANCIAL OFFICER
MR. BINOY AGARWALLA – HEAD, POWER BUSINESS
UNIT
MR. SANDEEP NARADE – HEAD, MINING BUSINESS
UNIT
MR. SURESHBABU CHIGURUPALLI – HEAD, FERRO
ALLOYS BUSINESS UNIT

MODERATOR: **MR. ABHISHEK SAWANT – VERITAS REPUTATION PR**
PRIVATE LIMITED

Moderator:

Ladies and gentlemen, good day, and welcome to the Indian Metals & Ferro Alloys Limited Q3 FY '26 Earnings Call, hosted by Veritas Reputation PR Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions once the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Abhishek Savant from Veritas Reputation. Thank you, and over to you, sir.

Abhishek Savant:

Thank you, Alex. Good afternoon once again to everyone. On behalf of Indian Metals & Ferro Alloys Limited, I welcome you all to the Q3 FY '26 Earnings Conference Call. We appreciate your time and interest in joining us today to discuss the company's performance for the quarter ended December 31, 2025.

Following the opening remarks by our management, we will open the floor for the Q&A session. Kindly keep your questions concise and relevant to allow broader participation.

IMFA, India's leading fully integrated producer of ferro alloys has demonstrated a significant improvement and resilience in quarter 3 FY '26 despite the ongoing market challenges. This performance underscores the company's focus on operational excellence, disciplined execution and long-term value creation.

As you all know, the company has signed definitive agreements to acquire Tata Steel Limited ferrochrome plant at Kalanganagar in Odisha, adding 99 MVA of furnace capacity for a base consideration of INR610 crores. This acquisition will make IMFA, India's largest ferrochrome manufacturer and the sixth largest globally, with a total capacity exceeding 0.5 million tonnes. The financial results are available on our website and have been filed with the stock exchanges for your reference.

Before we begin, I would like to remind you that some of the statements made today in our discussion may be forward-looking in nature. These are based on the company's current expectations and are subject to various risks and uncertainties that could cause actual outcomes to differ materially.

Joining us on the call today are Mr. Subhrakant Panda, Managing Director; Mr. Saunak Gupta, Chief Financial Officer; Mr. Binoy Agarwalla, Head, Power Business Unit; Mr. Sandeep Narade, Head, Mines Business Unit; and Mr. Sureshababu, Head, Ferro Alloys Business Unit.

With that, I would like to hand over the call to Mr. Subhrakant Panda, our Managing Director, for the update on the overall performance. Over to you, sir.

Subhrakant Panda:

Thank you, Abhishek. And at the outset, I would like to extend a warm welcome to all of you who have taken time out to join this call and to talk about IMFA's Q3 results. So let me start out with an opening statement, and then, of course, we will move on to the Q&A section.

First, a word about the performance. I'm quite pleased to report to you about the robust set of numbers that we have reported for the third quarter of FY '26, where our EBITDA and PAT numbers have gone up as we had indicated on account of the improvement in realizations in ferrochrome pricing.

Of course, we have had a continued focus on productivity, on making sure that output is on track, focus on efficiency that is our various consumption norms. And by and large, our costing has been stable with a slight increase in the power generation cost on account of coal prices. But other than that, during the quarter under review, the costing has remained stable. And taking the improvement in realization into account, we are reporting these numbers.

I will just quickly go through the production and the sales numbers for Q3 FY '26. **Ferrochrome production during the quarter has been 67,196 tonnes.** Power generation stands at 256.17 million units and chrome ore raising during the quarter is 265,468 tonnes. **And if you look at sales of ferrochrome during the quarter, that stood at 64,802 tonnes.**

On the ongoing expansion and acquisition plans, as far as the greenfield project at Kalinganagar is concerned or KNR 1 as we refer to it, I'm glad to report that the project is on track, and we expect to commission the first furnace in June 2026 and the second furnace shortly thereafter. So, it's at a very advanced stage and on track.

Secondly, as far as the strategic acquisition is concerned, which we refer to as KNR 2, we are in the process of obtaining various statutory and other government approvals, and we expect to close out the deal in the ongoing fourth quarter of FY '26, more specifically, I think, within the month of February itself.

Now in as much as output from the acquisition is concerned, anything that we get in fourth quarter is going to be a little bit of a bonus, but we really expect volumes to come in, in the true sense of the word in first quarter of FY '27. And this is, of course, something which is going to be immediately value accretive.

Finally, in as much as the ethanol project is concerned, that's again at a very advanced stage, and we expect to commission it in March 2026, that is next month. So, there is a slight delay because we were initially targeting the second half of February, but there's been a slight spillover on that, and we are expecting to commission it in March. And this is something after the initial sort of stabilization activity, we expect it to start contributing to the top line in, starting April, so in FY '27.

That is where we stand. And I would now like to move on to the Q&A section, and we will do our best to answer your questions and provide further clarity and information about the company's operations. Thank you.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question comes from the line of Aashav Patel from Molecule Ventures PMS.

Aashav Patel:

Congratulations to the entire team for a great set of numbers. And special thanks to Mr. Panda for taking out the time and joining the con-call. My first question is, sir, that globally realizations are very robust right now, and they have increased from the recent lows. Do you expect Q4, we will be able to see most of the benefit of increased realization? And the second question, follow-up on that is that the demand buoyancy, how you are seeing at this point in time?

Subhrakant Panda:

Thank you, Aashav. Pleasure to be on the call to interact with you and other investors and analysts who have taken the time out. First, a word about realizations. As we had indicated in the last investor call, we were expecting a noticeable jump in realizations from Q2 to Q3. That has indeed translated through. And our EBITDA margins are a little above 23% in Q3.

Now as far as Q4 is concerned, there was a slight dip in prices, but now they have again moved back up. So domestic prices are roughly in the INR118,000 to INR120,000 a tonne mark, and Chinese prices are around USD0.96 to USD0.97. Now, we expect these prices to continue during the ongoing quarter, barring any exceptional situations, which I don't foresee at this point in time to be very clear. And if so, we will certainly benefit from these realizations.

Secondly, as far as demand is concerned, we have always been in a slightly different position to many of our peers, where we believe in long-term contracts and offtake arrangements where pricing is decided every month or every quarter, depending upon the particular customer.

What that basically means is that at least offtake is assured. And we don't really have spot sales, if I can put it in, mention it in that manner. But demand in general is buoyed by the fact that stainless-steel has grown, even though it is in low single digits, around 2% to 3%, but stainless-steel output has increased.

And correspondingly, there has been a sort of a constraint in ferrochrome production with South Africa bringing down its output sharply. Producers in India, non-integrated producers in India have also been affected. So basically, we do not see any issue in terms of placing our current capacity as well as the expanded capacity, which is coming online.

And as I said, in the ongoing quarter, we see these realizations holding. And as of now, the expectation is that it will translate through into the first quarter of FY '27 as well because that is where South Africa, in particular, has the Winter Tariffs and all that. And of course, I know that there is a lot of chatter around the special electricity tariffs which have been announced.

I'll broadly expand your question, Aashav, and answer that because that is something which is definitely something that everybody is closely tracking. As you may have read, the tariffs in South Africa are broadly around USD0.135 or thereabouts. And what Eskom, which is the utility has announced, is an approval from NERSA, which is the regulator, to bring that down to USD0.87 for Glencore and Samancor, and which is valid for 1 year.

But that's predicated on a couple of things. One, that as we understand that the tariff of USD0.87 covers broadly Eskom's variable cost and some degree of legacy costs, but not their full overheads. So that in itself, to my mind, cast some sort of uncertainty about how practicable this is. And secondly, that NERSA has also said that the difference between the tariff to be paid by these 2 customers and what is actually required by Eskom is to be borne by the government.

The question here is that how practical is it for only 2 companies to get a special tariff, but again, that's not in my scope of competence or control. But what we certainly are waiting to see is how sustainable is this tariff.

And secondly, we believe that even if these companies start up production, it should lead to some, when ferrochrome production in South Africa had come down sharply, the ore exports to China moved up, I wouldn't say correspondingly, but certainly as a consequence. So now with ferrochrome, if it were to pick up in South Africa, logically, it should lead to some lowering of chrome ore exports to China and therefore, lower ferrochrome production in China.

At some level, we think it may turn out to be a zero-sum game. But more than anything else, I wanted to make the point that I'm more concerned about what is in our control and the fact that we have a fully integrated business model, and we are efficient, we are competitive, a lot of focus on productivity and efficiency. I would focus on our capabilities rather than get distracted by the noise around what is happening elsewhere.

Aashav Patel:

Sure. Got it. Sir, my follow-up is that there is this structural shift which is happening globally in the ferrochrome industry. Now the cost curve for most of the top producing countries is moving significantly upwards. Given your multi-decade experience in the industry, how significant do you see this happening? And how beneficial it is for integrated player like ourselves?

Subhrakant Panda:

You're absolutely right that there are cost pressures on non-integrated producers because chrome ore prices are moving up. If you look at UG2 prices in South Africa, they are around USD300 a tonne. I haven't kept track of domestic prices in India, but they continue to be elevated. So as a result, there are significant cost pressures. And from that point of view, the fact that we have a fully integrated business model is what adds to our resilience and competitiveness.

Now one has to see how this plays out. But one of the reasons ferrochrome prices have moved up is, as I said, there is growth in stainless steel, not tearaway growth, but there is growth in stainless steel, but more importantly, there are cost pressures.

If demand improves further on account of stimulus measures in China, on account of some of the geopolitical issues sort of moving towards resolution, etc, if demand were to pick up a little bit more, I definitely see ferrochrome prices moving up.

And equally, a lot of non-integrated producers in India have cut back production. There have been cutbacks in production other than in South Africa. We do see a sort of a structural sort of gap between demand and supply persisting over the next 1 to 2 years, which should be supportive of prices.

But then again, I would say this with a caution that this is a general trend that we envisage, but we don't really look at anything beyond the ongoing in the next quarter because experience has taught us not to get ahead of ourselves. But I don't see any curveball coming out from the left field, which significantly alters the market dynamics at this point in time.

Aashav Patel:

Got it. And sir, impact of Chinese anti-involution is already visible on ground?

Subhrakant Panda:

No, whatever they have, ferrochrome production in China has picked up significantly in line with South Africa cutting back. And, if they are taking some smaller inefficient furnaces out, they are adding capacity both in ferrochrome and the same exercise is happening in stainless steel. But China is a consumer. As you know, they have a significant export duty on ferrochrome. We don't see increase in Chinese ferrochrome production being a threat in any manner to ferrochrome prices globally.

Moderator:

The next question comes from the line of Parthiv Jhonsa from Anand Rath Group.

Parthiv Jhonsa:

Congratulations on a great set of numbers. Sir, just quickly wanted to again circle back to the entire South Africa tariff scenario. Considering if things work out in their favor, do you expect all the smelters from Glencore and Samancor to come on stream?

Or it is only for certain smelters which would be there and a couple of smelters which are actually not operational since some time now, they will not come back on stream? Because if that happens, the supply crunch still persists, if I'm not mistaken. Is the understanding and thinking correct, sir?

Subhrakant Panda:

Parthiv, thank you for your kind words on IMFA's numbers for the quarter. As far as South Africa is concerned, again, to reiterate, the tariff announced for 2 companies has come down from ZAR0.135 to, I mean, ZAR0.87 from ZAR0.135 to ZAR0.87. And as I mentioned, what we read is that it covers Eskom's variable cost and part of some legacy costs.

I think the concerns which have been expressed about how sustainable this is, is on account of the fact that it is for 2 companies, and certainly, it will lead to demands from others is the expectations, whether it is manganese steel, aluminium, etc. And the second that, obviously, covering only variable costs may not be sustainable, and that is where NERSA has very clearly said that the government has to reimburse and the burden shouldn't go on to the common to the average consumer.

And the ferrochrome producers on their side are saying that 87 is not good enough, and it needs to be 62. This is a situation which is in flux. It's not something into which, we are seeing it from outside and reading about it, but I don't have any particular insight. But there is a lot of skepticism, which has been expressed about how feasible is this and how sustainable is it going to be. One. And in terms of revival of ferrochrome production, I understand some of the smaller capacity, etc, has, I believe, permanently shut down.

Now if you look at the larger producers, I think their capacity can be divided into the more efficient ones like Glencore's Lion and the rest which are less efficient. As of now, we don't have any concrete information on, although I believe that Glencore might be restarting its Lion facilities in February or March. But then again, as I said, my expectation is that you can't have ore exports to China at exactly the same levels even as ferrochrome prices picks up because, first of all, there is the availability issue.

And second, if there has been a distinct increase in Chinese ferrochrome production corresponding or consequential to a reduction in South African output. Now if Chinese output doesn't come down and South Africa adds its capacity, then logically, ferrochrome prices will fall. And forget about what it does to us. I mean that in itself is going to defeat the whole purpose of giving special tariffs to South African ferrochrome producers.

You can't look at one part of the equation and say that tariffs have been brought down and therefore, everything is hunky-dory. I think this is a complex equation, and there are multiple factors at play. And you plug one leak somewhere and it will show up somewhere else. That's our take on the situation.

Parthiv Jhonsa:

Thank you for such an elaborate answer, especially considering the entire global macro is interlinked to the entire fact. Sir, my second question is pertaining to your EBITDA per tonne. I just wanted to get a sense that EBITDA per tonne has actually surpassed this INR25,000 mark, especially after Q2 of '25. So, after multiple quarters, you have actually surpassed that mark.

Just wanted to understand what has changed between Q2 to Q3 that there is a substantial jump in the profitability? And also, how do you plan your Q4? Considering you have given the guidance at for '27 and '28, just wanted to get a sense of ore raising guidance or whatever you can share for Q4 and also for the next few years?

Subhrakant Panda:

Parthiv, the short answer to what has changed between Q2 and Q3 of FY '26 is ferrochrome prices. Realizations have moved up by roughly by about INR6,000 a tonne. That is what translates through into the improved EBITDA margins. In a single word, it is prices.

And as I said, in ongoing Q4, we did see that the INR117,000, INR118,000 come down briefly to about INR106,000 to INR108,000. But again, leading up to the Chinese New Year holidays where there tends to be a little bit of stocking up by Chinese buyers and consequent to over constraints and elevated prices, domestic prices have moved back up to the INR118,000 to INR120,000 a tonne mark.

We do expect the current, what the average pricing that we saw in Q3 to more or less translate through into Q4, possibly with a slight upward bias. So, we are reasonably confident about similar EBITDA margins in the fourth quarter as well.

Parthiv Jhonsa: Perfect. And sir, what the ore raising, I think you have done like 265,000 tonnes plus of ore raising. So similar pace would continue even Q4?

Subhrakant Panda: Q3 and Q4 are the good quarters for ore raising because it is post monsoons, and even from a weather perspective, you're not in the peak summer, etc. Q3, Q4 are the peak ore raising time. Just a word on the general trajectory.

As you know, in FY '25, our total ore raising was approximately 725,000 tonnes. And as far as FY '26 is concerned, we are looking at 850,000 tonnes, broadly speaking. And as we have said, every year for the next 1 or 2 years is going to be a record because we are scaling up ore raising to cater to increased demand and the excess stock that we have been carrying will start getting now consumed because of the additional capacity.

And the Board at its meeting yesterday also approved the annual budget for FY '27. And that's going to be a milestone year for us because we are targeting 1 million tonnes of ore raising, that is 10 lakh tonnes in FY '27. Just to reiterate here the obvious point that our existing capacity, smelting capacity plus expansion plus acquisition is going to be catered to entirely from captive mines, and we are not going to be buying any ore.

Parthiv Jhonsa: Okay. Perfect. And just a very quick, very generic question on the greenfield facility. How better is the technoeconomic parameters compared to your other existing facilities? If you can just quantify in the percentage terms?

Subhrakant Panda: When you talk about technoeconomic, the fact that, we're putting it up now. Whatever learnings we have from our previous furnaces and whatever shortcomings that we see, we try to address that in the design situation. We have moved to a closed furnace design, which added to the capex a little bit.

But obviously, that enables us to get better norms and roughly about 8, 8.5 megawatts of power generation. But other question, which you and I, in particular, had this conversation during the CNBC panel post the announcement of the acquisition is that Kalanganagar is, from a logistics point of view, very friendly given that we are close to captive mines, close to stainless steel producers who are our consumers and close to Paradip port.

Once we get over the initial stabilization phase and do keep in mind that when the new furnaces come online, we will have an initial period of stabilization, and the heating period means you are consuming energy without getting ferrochrome production in turn.

But leaving that aside, when you're in a steady-state operation, we expect our weighted average EBITDA cost for the expanded output to reduce by about INR1,500 to INR2,000 a tonne on account of logistics costs and all of that. That is something will obviously add to our margins.

Subhrakant Panda: Obviously, the most important variable here is what, where ferrochrome prices, how they pan out. We do expect, as I said, while we are not, we don't do really projections of ferrochrome prices, we can only give a little bit of visibility into the ongoing quarters and the next quarter.

But the market dynamics are such that there will be some volatility. It's not going to be a steady line or only with an upward bias.

But our key commitment is that we have the wherewithal to be more competitive and more resilient than most. So that is one. In terms of cost structure, I mean, independent of this, I believe we have seen the lowest prices in the recent past in metallurgical coke prices, and that's something which is trending upwards a little bit.

But then again, it will, all of this will put pressure on bringing cost pressures on the entire value chain and should translate through into perhaps better ferrochrome prices because while we are fairly comfortable with our EBITDA margins, that number doesn't apply to, or that position doesn't apply to all producers.

Moderator: The next question comes from the line of Harsh Vasa from SBI Securities.

Harsh Vasa: Congrats, sir, on a robust set of results and to the entire team. Sir, my question was that what would be the capex for FY '26, '27, '28, if you could break up? And the capex would be what for, which part like the amount, for example, for the mines and for the greenfield and like that, like the total?

Saunak Gupta: On the capex side, in KNR 1, we have almost spent out 60% this year. About 40% will be remaining, which will be around INR300-odd crores and will be spent in the next year. And the other one would be the residual value of the ethanol project, which mostly we'll be spending in this year, and about INR50 odd crores will remain for next year.

For the mines, we have around INR200 crores of capital outlay or spend cash outflow next year. Approximately next year, we are expecting somewhere around INR600 crores plus general capex that we'll be spending out. In the following year, it is primarily the expansion of the underground projects will be the majority spent.

This is the overall outlay that we have somewhat planned for next 2 years. And it is like INR600 crores next year and another INR400 crores to INR500 crores the year following. So, INR1,000 crores will be spent for the next 2 years.

Harsh Vasa: Okay. Sir, what was the capex which you have already incurred in this year?

Saunak Gupta: We have already incurred overall INR370 odd crores this year.

Harsh Vasa: Okay. And for the next 3 months, any amount, tentative amount?

Saunak Gupta: In next 3 months, we have a plan of approximately INR270 crores to INR280 crores of spend.

Subhrakant Panda: Thank you, Harsh. I'll just take this opportunity to just provide a little bit more insight. Just to remind everyone that as far as our acquisition is concerned, which is at a base price of INR610 crores plus GST plus net working capital, that's going to be funded entirely out of internal accruals, and in as much as our KNR 1 project is concerned, we do have a loan sanction of about,

INR470 odd crores. And the drawdown of long-term debt as of now is a little short of INR80 crores.

We have hardly drawn down. We are focused more on internal accruals to meet our capex requirements thus far. And we expect the strength of the balance sheet to continue even after the payout, etc, we will still have a comfortable cash position. And of course, with expanded capacity, we will have, I mean, enhanced working capital available. The focus is still to have a conservative bent of mind in terms of taking on debt.

Moderator:

Our next question comes from the line of Kaushal Kedia from Wallfort PMS.

Kaushal Kedia:

Sir, I have a generic question on the entire space. We heard the Vice President of the United States mentioned critical minerals and they had a conference where they invited their partners. What do you think Chromium is a critical mineral for the U.S. and they are setting up a price floor for it? I just wanted your thoughts on this. What is happening? And what is this price floor that you look at it?

Subhrakant Panda:

As far as critical minerals are concerned, as all of you are obviously aware that China has an overwhelming position in terms of not just reserves that they are able to extract, but also the processing thereof. And that is where I think the rest of the world is scrambling to get to some degree of self-sufficiency. If I look at it from India's perspective, lots of initiatives announced by the central government, which is the PLI scheme for rare earth permanent magnets, which is outlays for recovering critical minerals from tailings.

And as far as the current budget, which was announced a few days ago is concerned, there was a reference to the critical minerals' corridor comprising Odisha, Andhra and a few other states. Clearly, given the importance of critical minerals and rare earth elements, the fact that they're used from everything from household white goods to fighter aircraft and the sort, it's something that all countries are scrambling.

The U.S. has announced this large fund that they are creating to stock up on critical minerals. Secondly, through the other initiatives, they are looking at coordinated action. That's where I think critical minerals stand. And again, I'll take the opportunity to expand the question and respond. It's an area which we have identified as a potential area of interest for us because there is a degree of similarity because it involves mining and processing of minerals. That's something that we are closely evaluating. And when we find the right opportunity, which is value accretive, we will move forward on it.

Kaushal Kedia:

Sir, I have a few accounting questions. What is the cash and balance sheet as of today?

Saunak Gupta:

The total amount which we are having, including investments in mutual funds and bonds is close to INR1,100 crores in our balance sheet.

Kaushal Kedia:

I wanted to understand the payment.

- Saunak Gupta:** Yes, INR610 crores base amount for acquisition plus GST. We expect somewhere around INR700 crores will be the outflow. We'll still have INR 400 crores out of INR 1000 crores, in our balance sheet plus the future cash accruals from the business.
- Kaushal Kedia:** Just to draw a sense, by the end of March, we'll have about INR400 crores post the Tata payment and about INR300 crores of capex that you mentioned earlier that you will incur this year.
- Saunak Gupta:** Yes. we have capex, but we also have unutilized whatever our MD said is that we have about INR470 crores of sanctioned term loan limit, which we have utilized only about INR80 crores. Overall, around INR390 crores we have unutilized, which we will see how much we will utilize. Obviously, the cash position that we will have after all payments expected to be minimum INR 300 crores.
- Kaushal Kedia:** Just back on your calculation, if the EBITDA margin continues to be the same for Q4 , taking that into consideration, we should be somewhere around INR300 crores of cash in March, hopefully.
- Saunak Gupta:** Yes, you are right. It will be INR300-plus crores of cash if the EBITDA continues in the same range. I just wanted to close on what Kaushal said. The position is that whatever we were saying on INR300 crores of capex payment that we'll be doing, we will be still having in our hand INR300-plus crores of cash position accrual after payment of whatever is the acquisition as well as unutilized term loan of INR390-odd crores. Almost INR700 crores will be there in our hand. We will just see how we will be actually paying out those cash outlays. We have sufficient funds in hand.
- Moderator:** We'll move to the next participant that is Madhu Chaturvedi from MAIQ Investment Advisors LLP.
- Madhur Chaturvedi:** Congratulations on a fantastic set of numbers. You guys have taken a lot of time and answered most of the questions. Just one sort of bookkeeping question from my end. I think after a while, just our ferrochrome production in tonnes was slightly more than our ferrochrome sales. Was wondering is this a sort of strategic thing for are we seeing a bigger order next quarter? Is this maybe an impact of the slight price increase we've seen? I was wondering if there was any reason to it.
- Subhrakant Panda:** Broadly, I would say, Madhur, that in terms of quarterly production, we look at 65,000, 66,000 tonnes, maybe up a little bit down, there and thereabouts, and similar sales. I think in the recent, in the past 2, 3 quarters, In Q2, there was a lot of pressure from customers for supplies, which is where we ate into inventory a little bit and sold about, if I remember correctly, in Q2, the sales volume was close to 69,000 tonnes, which was a bit of an outlier.
- But we have sort of come back to that 65,000, 66,000 tonnes sales and similar sort of production numbers. We expect in terms of production for the ongoing FY '26 we expect to close at about 265,000 tonnes and sales broadly similar numbers.

The real jump, of course, will come from Q1 FY '27 onwards when additional volumes come into play. But not so much trying to gain the market. Obviously, prices increase when there is demand. So, it's not just a question of trying to encash on higher prices but also making sure that our long-term customers with whom we have relationships, we try to meet their requirements in terms of additional tonnages as and when it comes up.

Moderator: The next question comes from the line of Joe Shah from 7 Seas.

Joe Shah: Congratulations. We are going very well on our growth plan as far as KNR 1 and KNR 2 are concerned. I think by June '26, we'll be quite well on this plant. Now second thing, recently, Government of India has announced that coking coal is notified as a critical mineral. And my understanding is that in India, we do not have low phosphorus coking coal available and mostly we have inferior coking coal. So, what is your take on this coking coal?

Subhrakant Panda: You're absolutely right. As far as coking coal is concerned, India doesn't have very large reserves, we have very large reserves of coal, thermal coal, but not large reserves at all of coking coal. And moreover, what is there is a grade that we cannot really use in the ferrochrome industry, which is why, especially given the grade of ferrochrome that we produce, we are entirely dependent upon imported metallurgical coke from Colombia and from other sources.

Yes, the declaration of coking coal as a strategic mineral has definite implications for the steel industry. This is a large import win for them and development of coking coal mines domestically will ease some of that pressure. But realistically speaking, no significant impact for the ferrochrome industry.

Joe Shah: Okay. Now one more question about Sukinda Chromite Mine signed up by Tata Steel. Looking at the past happening of Hindustan Copper getting copper mine in Madhya Pradesh, we also get excited that IMFA should also get the Sukinda Chromite Mine, whenever it comes on table. So, what is your idea?

Subhrakant Panda: They've announced that they would surrender. The process is yet to be completed. It's only when it comes up for auction that we can have a strategy. But my answer would remain the same that as with any other opportunity, we will evaluate anything which is interesting, we will certainly evaluate, and we will move ahead if we see it as being value accretive.

Moderator: The next question comes from the line of Sanket Kapoor from Kapoor Company.

Sanket Kapoor: Firstly, pertaining to our capex and the underground mining part. So, if you could just outline to us what's the roadmap? How much have we spent? And pertaining to this underground mining, what amount of the capex goes towards the equipment? And whether we will be opting for the MDO route for the ore that will be taken out? Or what is the thought process there?

Subhrakant Panda: I'll ask Saunak to share the capex numbers. We also have Sandeep Narade, who is our mining business head on the call. Broadly, the figure for capex for underground mining is roughly INR1,000 crores.

- Saunak Gupta:** On the overall capex budget of INR1,000 crores, we have till now already ordered approximately INR780 crores. At present, cash outlay is around INR120 crores till now. And as I was saying that in next year, there is higher amount of cash outlay on this, with a mixture of both infrastructure capex payments as well as development costs that we have to incur for building up the whole underground mine. But I'll also ask Sandeep if he can just add a little more on that.
- Sanket Kapoor:** There is a point here, INR780 crores of order tendering are on the equipment part. So, are we importing this equipment? Or are we sourcing them?
- Subhrakant Panda:** No, INR780 crores is not just equipment. It also includes an element of development because the underground, 2 ventilation shafts, the decline and the main shaft are all being developed. There is a significant element of equipment in there like winders and all of that, INR780 crores is not just equipment.
- Sandeep Narade:** Mostly, we are operating on the MDO mode. And out of overall capex, about 25% of amount will be spent by us for major equipment like the shaft winders and fans. Rest will be the service contract with the MDOs.
- Sanket Kapoor:** And sir, are we sourcing this equipment domestically because there are a few players in the country that are developing. In fact, one player only Eimco Elecon that develops, I think, so underground mining equipment and then the Gainwell Group. So, are we in?
- Sandeep Narade:** No, all these equipment are not in our scope. They are in the scope of MDOs, and they are developing in India and also getting from outside.
- Sanket Kapoor:** Okay, sir. And lastly, sir, Pandaji, for the ethanol part of the story, sir, firstly, you have articulated that it was the land that was available to us, and we were, that was unutilized and the availability of, I think so the RM was there in abundance that led to the project. But taking into account the line of interest that we have, what likelihood is going to be the story for ethanol, because INR250 crores, INR300 crores worth of project will also have management bandwidth and will have its own vagaries and nuisances going ahead, depending upon the government policy. Going ahead, how much of this ethanol is going to be a part of IMFA in the foreseeable future?
- Subhrakant Panda:** Slight correction. It was not just available land, but also other infrastructure such as railway sidings and all of that for bulk handling of raw material. That is one. Second, as we scale up our ferrochrome capacity closer to the mines in, I mean in Choudwar of course, there is no further scaling up. But in Kalinganagar, at some point in time, that will lead to a deemphasis on Therubali. Therefore, it is important for us to find alternate users on what we can do there.
- Second, minor correction. The capex for the 120 KLD unit is INR150 crores, not INR250 crores, I believe, adequately conveyed that this is a small diversification because we do need to see what we can do with, in Therubali. And it is only if we believe that we cracked the code and are able to, this is more aligned given that it's a B2B industrial product, it is more aligned with our philosophy than FMCG, for example, as I've been saying. But it is only, if we believe that we

have cracked the code, and we can make it something value accretive that we will consider further expansions.

As of now, no further expansion commitments. We will review how this project plays out and then see what we want to take it forward. But I'll just take this opportunity to reiterate that our primary focus remains the core business, which is ferrochrome. And that is where the maximum time, attention and focus will be. So, I would hope that there isn't any anxiety on that front.

Moderator: The next question comes from the line of Manan Vandur from Wallfort PMS.

Manan Vandur: Sir, my one question was that what was the average cost of coke per tonne in Q3? And what is the current price also for this current Q4 quarter?

Subhrakant Panda: Sureshababu, who heads our Ferro Alloys business unit can provide the details. Broadly, we are currently consuming coke, which is around USD250 a tonne mark, and we are expecting that to move up a little bit in future procurements.

Sureshababu Chigurupalli: It is around INR28,000 and USD5 are expected to rise in the coming quarter.

Manan Vandur: Just a follow-up on this, INR28,000 was average for Q3. As you're saying is this current market price?

Sureshababu Chigurupalli: Yes, the current.

Manan Vandur: Okay. Current is INR28,000 and you are saying that around USD5 can increase from here. And what was the average for Q3?

Subhrakant Panda: Manan, we have broadly shared the details. I don't want to go into specific products and specific inputs and exact pricing. Broadly, we have shared the numbers that there had been in line with the pricing pressure or ferrochrome realization pressure going back 2, 3 quarters, coke prices had come down noticeably. And we believe it has hit rock bottom.

And our current stock, what we are consuming is around the USD250 mark. And Suresh is a little aggressive when he looks at USD5. I would say that there might be a slight bit more upward bias in terms of costing for metallurgical coke. But it is something that will add to our EBITDA cost a little bit, but not something which will be very significant.

Moderator: The next question comes from the line of Amit Lodha from Sanmati Consultants.

Amit Lodha: Congratulations. Most of my questions have already been answered. I have got only one question, sir, related to shareholders. Actually, in recent times, your stock price has gone to a very good level. And we as an investor when we bought the shares and find very difficult to get the required quantity of the shares from the market and the price has shot up as there is wide fluctuation in the prices coming up and going down.

Again, INR1,500, then INR1,100. So, there is a market, of course, that is the market for which the management is nothing to do. But I only have one suggestion. Since all the ferro alloy

companies like Bawa Alloys Limited, Godavari Power & Ispat Limited, then Vedanta, then Hindustan Zinc, all are having the lower denominations sir. They all are having INR1 or INR2 denominations.

I would request the management in the overall interest of the shareholder that management should consider this subdivision of the equity in appropriate either INR1 or INR2 , enabled by small shareholder, not only small shareholder plus mutual fund holder also, and they can easily get in the shares, and they get out of the shares when they want. And that will reduce the fluctuation in the market. That is only suggestion from my side. Thank you very much.

Subhrakant Panda: Thank you, Amitji, for your suggestion. We will certainly take that under consideration. I know this topic has come up about having adequate floating stock to provide liquidity, but there are pros and cons to everything, but this is certainly, we will certainly take your suggestion on board and always have the interest of shareholders paramount when we look at taking any actions.

Moderator: The next question comes from the line of Rita from Kotak Securities.

Rita: Congrats to the management for such an excellent result. I'd like to just ask on the question regarding what was the EBITDA margin for the previous quarter and what is expected in the next quarter?

Subhrakant Panda: EBITDA margins, we have actually issued that in the press release. So previous quarter as in Q2 was, if I remember correctly, around the 18% to 19% number and EBITDA margin in Q3 FY '26 is a little more than 23%.

Rita: And what will be expected for Q4?

Subhrakant Panda: Provided prices hold, which is what we expect it to be, we expect it to be sort of similar.

Rita: And secondly, sir, in terms of what we say for the coke INR28,000 price, so is it that INR28,000 gets fully accommodated or there is a specific set of consumption of coke, which reduces the coke cost or there is a 1:1 ratio for reduced.

Subhrakant Panda: It's roughly 0.65 tonnes of coke per tonne of ferrochrome.

Rita: And is it the same case for ore as well that we, how much ore we gave that much?

Subhrakant Panda: Roughly 2.5 tonnes of chrome ore per tonne of ferrochrome.

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

Vinit Thakur: I would just like to know what would be a sustainable EBITDA post the Tata Steel incorporation of the plant? And when could we see the revenue coming from it as well on our, from that plant itself?

Subhrakant Panda: The second question is easier to answer, which is that we expect meaningful contribution to top line and to financial numbers from Q1 FY '27 itself. As I mentioned, we are looking to close the

deal in the ongoing quarter, in fact, possibly in February itself. We might get a little bit of output in March, but we are not really taking that into consideration. If anything comes, that's the bonus.

But realistically speaking, from first quarter of FY '27, and as far as sustainable margins are concerned, there are 2 factors. Clearly, there is volatility both in realizations as well as in input costs.

We are, in as much as chrome ore is concerned, we are relatively sheltered in terms of any impact. But when it comes to metallurgical coke, when it comes to thermal coal for power generation, etc, obviously, we are exposed to a degree of volatility. But what will, just to reiterate a point I had made earlier in the call, what will be a significant sustainable advantage of the KNR facilities, KNR 1 and 2 is that logistically, it is far friendlier, similar to or perhaps even better than Choudwar. And therefore, we are expecting between INR1,500 to INR2,000 a tonne at least of reduction in weighted average EBITDA costing.

Vinit Thakur: I want the capex like we have planned for the near term, what would be our total capex plan? And what would be our peak debt as well?

Saunak Gupta: For Kalinganagar project, we have a total capex plan of INR800-odd crores. That we will be spending out by mid next financial year. And for ethanol, we have INR150 crores that already a major chunk will be spent by this year and the residual amount left will be spent next year.

On the mine side, we have said we have an overall capex of INR1,000 crores, but it will be spent out in next 4 to 5 years as we go for the developments. These are the 3 key ones. And in Kalinganagar 2, Tata Steel unit that we'll be acquiring, the asset transfer of the unit, with GST is around INR700 crores. This is the overall spend out, which we are doing.

Subhrakant Panda: And of course, for the GST, we will get back, we'll get input tax credit.

Vinit Thakur: What would be your peak debt?

Subhrakant Panda: Broadly, at the moment, our, the long-term debt drawdown against the sanctioned limit is just short of INR80 crores. The sanctioned amount is INR470 crores but depending upon how the ongoing and the next quarters go, we may not even draw down the full debt amount. We'll see how that, but theoretically, the maximum it will go up to is INR450 crores, INR470 crores. And from a debt equity point of view, we are not looking at, I mean, our outer limit is 0.5, but we are not expecting to go beyond 0.3 at most.

Moderator: The next question comes from the line of Akshita from SBI Life Insurance.

Akshita: Sir, my question is regarding the market. What is the expected market in quarter 4? How is the prices going to react?

Subhrakant Panda: As I said, early on in Q4, there was a slight dip in prices. But now primarily on account, I would say, of Chinese demand stocking up before the New Year holidays, domestic prices have moved up to INR118,000 to INR120,000 a tonne, and Chinese prices are at about USD0.96 to USD0.97.

But in our case, we have long-term commitments and therefore, offtake is not an issue at all. And we'll have to see how exactly the price plays out. But at the moment, we are reasonably confident that price realization will stay around the same levels on an average for the entire quarter will stay at the same levels as Q3. And therefore, we can expect similar EBITDA margins.

Akshita: Okay. Sir, as of now, what is our export and domestic ratio?

Subhrakant Panda: Very heavily skewed towards exports in excess of 90%. Going ahead, in 2 years' time, we are expecting 60-40 still slightly in favor of exports, but certainly more sort of more focus on the domestic market to ensure that demand is properly met.

Akshita: Sir, what is our ratio for the LTC and spot mix?

Subhrakant Panda: We have primarily long-term contracts, Akshita. The difference between the 2 categories of long-term contracts is where we have binding offtake contracts for 1 year or 5 years as in the case of POSCO. But what we technically categorize as spot sales is repeat sales to the same customers without any monthly or annual commitment. So, we don't really do spot sales where we find new customers and all of that.

Now with added tonnage, we will certainly look at certain niche geographies and all of that, plus we have also started producing niche ferrochrome with 015 phosphorus maximum and 1.5% silicon maximum, which has a significant premium of about 25% or so. For that, we are selling now, starting to sell to some specific customers in Japan. But other than that, I mean, you could broadly call our entire marketing strategy as long-term oriented.

Akshita: Okay, sir. And can you just tell me what are the major customers, like you mentioned for POSCO 2 to 3 major customers?

Subhrakant Panda: We have a joint venture with POSCO alongside a long-term contract. We sell to customers in Taiwan, in Japan, we do have sales in China. We sell small quantities in Europe, which will probably we will look to perhaps increase a little bit when we expand our capacity.

Moderator: The next question comes from the line of Pritesh from Lucky Investments.

Pritesh: Yes, sir. What is the volume guidance for FY '27, the ferrochrome guidance?

Subhrakant Panda: What we have indicated because we have the acquisition coming online and we have the commissioning of our greenfield unit taking place in starting June. So, from the present levels of about 260,000 tonnes, give or take a little bit, we have indicated that we expect production volume in FY '27 to be approximately 400,000 tonnes, and we expect the volume in FY '28 to be between 475,000 to 500,000 tonnes. These are, of course, barring any unexpected developments, but I don't foresee anything of that sort.

- Pritesh:** So just to continue here, these capacities, what is the breakeven utilization level of the incremental capacity?
- Subhrakant Panda:** I don't think we have really counted, I mean, we have really analyzed it in that manner, but we are absolutely running neck and neck in terms of our ability to produce and sell. In terms of volume, given that the total consumption of ferrochrome worldwide is in the range of 16 million, 17 million tonnes, enhanced capacity placing that with, we get a lot of pressure from customers to increase volumes. So that's not a concern at all for us.
- Pritesh:** My question was what the breakeven levels is usually of these capacities. They start producing after 50% capacity utilization starts running out profits or from that angle, I was asking.
- Subhrakant Panda:** I understand, but that again depends upon a variety of factors. If you don't have captive ore, then the breakeven levels will be much higher. But as I said, that's not something that we have specifically gone into depth.
- Pritesh:** And just one confirmation. Based on the setup that you talked about Africa and it's a zero-sum game and considering the capacity, which is shut down, the overall concern does it make you believe that the ferrochrome prices will stay higher than what they were in the recent years that we saw. Usually, the chrome price, ferrochrome price oscillated from 85 to 95. And are we in a lower band? At least that directionally can be concluded or even that cannot be concluded.
- Subhrakant Panda:** I think the way you put it at the end is a better way to look at it, which is that there will be some volatility going ahead. It would be foolish of me to say that it's only going to be in an upward direction here on. There will be. But I think in the near term, what we can see, we are quite confident about the market dynamics.
- But if I were to stretch your question, the period that you mentioned in your question from 1 to 2 years, if you look at the last 10 years, clearly, slowly but steadily the band has moved up. And I'd like to mention that last year when we had an analyst and investor interaction, physical interaction in Mumbai, I had made a point that judging by our experience and what we see, I would broadly think that a fair price for ferrochrome is in that INR105,000 to INR110,000 range, and taking into account cost pressures and all of that. But there will be obviously a range below and above that.
- Moderator:** The next question comes from the line of Aashav Patel from Molecule Ventures PMS.
- Aashav Patel:** My last question, sir, is that domestic, as you rightly mentioned that most of our production volume is tied up with long-term contracts and specifically more so tilted towards export side. But recently, we have been observing over the last few months, domestic ferrochrome realizations have been much higher than the global ferrochrome realizations.
- Do you see a case for dedicating 1 of the 2 upcoming Kalinganagar facilities, maybe specifically to cater to the domestic spot market and so that as a strategy to capture the spot increases better, domestic spot increase in realizations better?

- Subhrakant Panda:** Aashav, as I very clearly said, we expect to move from 90-10, that is 90% exports and 10% domestic market at present with enhanced capacity over the next few years for it to be somewhere around 60-40. So, but that's not only a reaction to domestic prices because there will be prices domestically or internationally will move up and down a little bit. But we believe as the market leader, it is, in many ways, our responsibility to see that we are able to meet domestic demand. That should be our priority, and that is what we intend to do.
- Moderator:** The next question comes from the line of Aditya Mutha, an Individual Investor.
- Aditya Mutha:** Almost all my questions have been answered. I just want to know what was our variable power cost for this quarter?
- Subhrakant Panda:** Aditya, we would not like to get into specific details, but variable power costs moved up a little bit in line with the quality of coal received as well as certain price increases. But nothing very significant. Broadly, I would categorize it as, I mean, it's moved up by about INR0.10 or INR0.15 per unit. Nothing that I would say that has added significantly to our cost structures.
- Moderator:** The next question comes from the line of Pragyam Laddha from Omni Securities.
- Pragyam Laddha:** All my questions have been answered. Just one question. Do you see a one-off due to the Tata Kalinganagar plant integration in Q1 and Q2?
- Subhrakant Panda:** No, I don't see any one-off in that regard. But again, when you start up all the furnaces, there will be an initial heating up period and some power consumption, etc. Some start-up costs will be there, but nothing one-off in terms of integration costs, maybe some investments in aligning our ERPs and all that because they are on SAP, we are on Oracle. But nothing major in that regard.
- Pragyam Laddha:** No major margin pressures, right?
- Subhrakant Panda:** No margin accretion in fact.
- Moderator:** The next question comes from the line of Joe Shah from 7 Seas Business Solution.
- Joe Shah:** Subhrakant, I think our worries would be South African production. I understand that there is a lot of movement to reduce power cost for supply to Glencore and Samancor and go to ZAR0.62. And people are over there, they are saying that South African Ministry will be really available unlike in India.
- My counterpart met him just 2 days ago, and he said there will not be any tariff on the export of chrome ore. They are very clear about it. And they say that such tariff will ultimately go to the miners, which they are not ready to do. And second thing, this funding of this cheap power is concerned, they are saying that there are so many benefits involved in pushing up the entire economy of South Africa. They are looking for taking this South African economy out, by focusing on the ferrochrome production. And they are planning to have 3.5 million tonnes to 4 million tonnes of ferrochrome production.

And even they were saying that they are looking at India also as their market. Obviously, we can have anti-dumping duty for South Africa to protect our market, but still China and other places could be a bit difficult area. So, I would like to have your views. This is, I think, a real challenge coming to IMFA, the South African production and other things, we are quite safe. But the South African is a big worry for us also. So, will you please give me your views, please?

Subhrakant Panda:

As I've said, and I will reiterate that I wouldn't want to focus on issues which are not in our control. I believe that we have the right business model, thanks to our captive mines and power generation, the ability to be resilient and competitive. And that is all that I would focus on. And we have the marketing relationships and the tie-ups to be able to place this. And I believe that you will not simply see an increase in production of ferrochrome in South Africa without a corresponding impact on ore exports.

And not to mention because of scale back production last year, their grid was relatively stable. As I said, this is a complex equation. It is not a simple thing that rates have been brought down, and ferrochrome production will increase, and therefore, there will be an imbalance, which will lead to lower prices. I believe it is a far more complex scenario, and there are various trade-offs involved. So, is it something that we are looking at and observing? Absolutely. But we are confident about our ability to be competitive. And I think in the end, that's what matters.

Joe Shah:

So, you think that Indian ferrochrome cost of production will be quite competitive as compared to the South African cost of production?

Subhrakant Panda:

I would not say Indian ferrochrome production cost, but a fully integrated producer in India.

Moderator:

Ladies and gentlemen, the last question comes from the line of Anand Sinha from Coal India.

Anant Sarda:

Yes. Just to see that I'm from Chattisgarh Investment Limited. My name is Anant Sarda. Congratulations on the brilliant set of results. I just have a question that, sir, there is 150,000 tonnes of capacity, furnace capacity in the Tata project and about 50,000 tonnes of furnace capacity was incomplete. So, do you have any kind of, like what is the status of that? And when can that be online?

Subhrakant Panda:

You're right. The unit has 4 16.5 MVA furnaces, which are capable of producing 100,000 tonnes, which are good to go. And there is a 33 MVA furnace, which is partially complete, which can produce another 50,000 tonnes. Our estimate is approximately a year's time and roughly INR50 crores of capex to make that operational. So, when we take control of the unit, our first focus will be on maximizing output from the existing operational furnaces while, of course, evaluating and proceeding with completing the fifth furnace and getting that additional tonnage from there.

Anant Sarda:

Okay. And sir, like you said that you're going to shift the international to domestic sales from 90-10 to 60-40 in maybe 2 years' time. But immediately, we can see that the ferrochrome prices in domestic market are quite higher, as pointed by one of the fellow investors. Will the Tata

Kalinganagar 2, the Tata acquisition, will that be particularly used for spot market in the next financial year, sir?

Subhrakant Panda: In the next financial year, we will also have our greenfield project commissioned. The point is that we will, first and foremost, give priority to, wherever we have contractual commitments, that is what is our topmost priority. We are not going to divert tonnages because of higher realizations elsewhere because I think it is important to be considered a credible and reliable supplier.

The second point I have made conceptually is that as the largest producer in India, it is incumbent upon us to make sure that the domestic market is supplied to the best of our ability. So, taking that in mind, we are looking at the 90-10 becoming 60-40 over the course of the next 2 years. But we will obviously retain the flexibility to sell internationally or domestically depending upon market conditions and demand.

Anant Sarda: Okay, sir. And last question, sir, what is the road map for critical mineral space? Like where do you want to position yourself maybe in the mining or maybe in processing or both, what kind of strategy are you thinking, sir, for the company?

Subhrakant Panda: Anant, it's very early days yet for us to give any concrete guidance on that. We are evaluating opportunities. And as a general practice, I would say that we are open to evaluating all opportunities which come our way. And we will only pull the trigger on investments if we believe it is value accretive, and we have a degree of competence.

But having said that, I mean, we, of course, both from a mining and a processing perspective, have the competence, but where exactly the opportunity lies and how we can maximize shareholder value is what will guide us. And it's too early for us to give any specific comments on that.

Moderator: Thank you. Ladies and gentlemen, that brings us to the end of the question-and-answer session. I would now like to hand the conference over to Mr. Abhishek Sawant for the closing remarks.

Abhishek Savant: Thank you and thank you to everyone who joined us today and participated in the discussion. We appreciate your questions and continued interest in IMFA. As always, we remain committed to transparent communication and delivering long-term value to our stakeholders.

In closing, on behalf of the Board of Directors and management, we thank you all for your participation in this call. IMFA remains focused on operational excellence and long-term value creation. Should you have any further questions, please feel free to reach out to us. We look forward to engaging with you again in the near future. Thank you again and have a great evening. Stay safe.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Veritas Reputation, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.