

To, प्रबंधक/The Manager बीएसई लिमिटेड/BSE Limited, फीरोज जीजीभोय टावर्स/ Phiroj Jeejeebhoy Towers, दलाल स्ट्रीट/Dalal Street, मुम्बई/MUMBAI- 400 001 स्क्रिप कोड/Scrip Code: 532234	To, प्रबंधक/The Manager अनुसूचन विभाग/Listing Department नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लि., National Stock Exchange of India Ltd., एक्सचेंज प्लाजा, बांद्रा-कुर्ला कम्प्लेक्स, Exchange Plaza, Bandra-Kurla Complex, बांद्रा ईस्ट/Bandra East, मुम्बई/MUMBAI-400 051 प्रतीक/Symbol: NATIONALUM
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**विषय/Sub: 07.11.2025 को आयोजित आय सम्मेलन कॉल की प्रतिलेख/
Transcript of the Earnings Conference Call held on 07.11.2025.**

श्रीमान/Dear Sir,

Further to our letter dated 08.11.2025 and pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, enclosed please find the transcripts of the Earnings Conference Call held on 07.11.2025 for discussions on Company's business and outlook post declaration of Unaudited Financial Results for 2nd Quarter ended 30th September, 2025

Neither any Unpublished Price Sensitive Information (UPSI) was shared during the aforesaid Earnings Conference Call nor is mentioned in the enclosed transcripts

This is for your information and record.

धन्यवाद/Thanking you.

**भवदीय/Yours faithfully,
कृते नेशनल एल्यूमिनियम कंपनी लिमिटेड/
For National Aluminium Co. Ltd.**

**(बी. के. साहू)/ (B.K. Sahu)
कंपनी सचिव एवं अनुपालन अधिकारी/
Company Secretary and Compliance Officer
ACS: 9953**

नेशनल एल्यूमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)
निगम कार्यालय
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A Navratna CPSE | A Govt. of India Enterprise

**“National Aluminium Company Limited
Q2 & H1 FY '26 Earnings Conference Call”
November 07, 2025**



A Navratna CPSE | A Govt. of India Enterprise



NALCO MANAGEMENT TEAM

Shri Brijendra Pratap Singh – Chairman-cum-Managing Director
Dr. Tapas Kumar Pattanayak – Director (HR)
Shri Abhay Kumar Behuria – Director (Finance)
Shri Bharat Kumar Sahu – Company Secretary

MODERATOR

Ms. Shweta Dikshit – Systematix Group

Moderator: Ladies and gentlemen, good day and welcome to the Earnings Call of National Aluminium Company Limited, NALCO, post declaration of the financial results for quarter and half year ended September 2025, hosted by Systematix. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes.

Should you need assistance during this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Shweta Dikshit from Systematix Group. Thank you and over to you, ma'am.

Shweta Dikshit: Thank you, operator. Good evening, everyone. On behalf of Systematix, we welcome you to the 2Q FY '26 and first half FY '26 earnings conference call of NALCO Limited. I would like to thank the management for giving us this opportunity to host the call.

I now hand over to Mr. Bharat Sahu, Company Secretary, NALCO, to discuss the company's financial and operational performance for the second quarter and first half FY '26. Over to you, sir.

Bharat Sahu: Good evening. Namaste. Greetings from National Aluminium Company Limited and Navratna CPSE under the Ministry of Mines. I take pleasure in introducing NALCO team in today's post-earning call. NALCO management is represented by Shri Brijendra Pratap Singh, Chairman and Managing Director, Dr. Tapas Kumar Pattanayak, Director HR, and Shri Abhay Kumar Behuria, Director Finance. Myself, Bharat Kumar Sahu, Company Secretary of NALCO.

Today, NALCO published an impressive Q2 and H1 results after the Board took it on record in the meeting held in the afternoon. A presentation in this regard is already uploaded in the website in both the stock exchange site as well. And now, I request our CMD, sir, to kindly highlight the results and the outlook of the company. Over to you, sir.

Brijendra Pratap Singh: Good evening, everybody. Myself, B.P. Singh, CMD, NALCO, and with me, my Director HR, Dr. Tapas Pattanayak, and Director Finance, Shri Abhay Behuria is here. We are very glad to inform that with the dedicated efforts of all

the employees of the NALCO, we have been able to record best ever Q2 and H1 performance, both in the terms of production and financial.

Our Q2 performance and H1 performance has been excellent. If you see Q2 performance, like to like Q2, '24, '25, our excavation, bauxite excavation increased by around 13%. Alumina production increased by around 15%, Q2, Q2 compared to last year. And cast metal production also increased by around 3.48%. Our overall revenues from operations increased by 7.27%. And expenses reduced by around 3.34%.

Overall, if we compare PBT and PAT, we see around 34% increase in PAT is there compared to Q2 last year. If we compare H1 performance of last '24, '25, and H1 performance '25 to '26, there is a substantial jump in that, like excavation has increased by around 6.25%, bauxite excavation, calcined alumina production has increased by 31.33%, cast metal production has increased by 3%.

Revenues from operation has increased by 18%. Our profit, PBT, Profit Before Tax has increased by 47% and PAT by around 50.2%. Alumina sales has also increased by around 81% The major contributor, if we see H1, compare H1 of '24, '25, and '25, '26, has been the increase in volumes. Our alumina volume has increased substantially. And our efficiencies, efficiencies have also increased. The increase in volume has given us around INR700 crores and efficiency has given us around NR300 crores if we see compared to last year H1.

So that is the performance and we are continuously striving to improve the performance of the company. Our expansion plans are also there. Our refinery expansion is there. Almost 80% of the expansion is complete and we are planning next year, June '26, to commission the refinery, 1 million ton refinery, wherein our existing refinery capacity, which is around 2.1 million ton, will become around 3.1 million ton.

And in smelter also we have a plan of expansion that in coming days we are going to plan, which is, we are planning to bring a 5 lakh ton smelter in next three to four, four to five years by 2030. So, we are having a robust, very good result, both in terms of physical and financial.

Any queries from, any questions from the participants who are there in the conference call? We would like to take on the questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on the touchtone telephone. If you wish to remove yourself from the queue, you may press star and 2. Participants are requested to please use handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Amit Lahoti from Emkay. Please go ahead.

Amit Lahoti: Yeah, thanks for the opportunity and congratulations on a good set of numbers. So, my first question is on Alumina, where we are doing the expansion project. Are we on track to achieve commissioning in early FY '27 as per the previously guided plan?

Brijendra Pratap Singh: We are not getting you properly. Can you be a bit louder? Our feed stream plan, expansion plan, earlier it was scheduled to be completed in September 25, but it has got slightly delayed and now we have our revised target is June 2026. Already we have revised it earlier. Now we are on track and whatever timelines of June 2026 we have taken; we will commission it in June 2026.

Amit Lahoti: Okay, my second question is we sold more volumes in Q2 than in Q1. What is our inventory management strategy here? Could we see more sales volumes in Q3 as well, more than the production numbers?

Brijendra Pratap Singh: You are talking in terms of Alumina?

Amit Lahoti: Yeah.

Brijendra Pratap Singh: Alumina, as far as our Alumina sales are concerned, whatever production we are doing, around 50% of the production is getting consumed in the smelter. Rest of the production is to be sold in domestic and export market. Of course, export is the main market we are doing the selling.

But our inventory, which we have a carrying capacity of around 75 lakh tons in our Vizag silos and around 35,000 tons in Vizag and 36,000 tons in

Damanjodi. So, we cannot store a lot of material there. So, whatever we are producing, we have to sell it.

So, on an average, we are planning those four to five shipments per month will be exporting to outside and our domestic sales will be around in between 10,000 to 12,000 tons in the remaining months.

Amit Lahoti: Okay. And lastly, do we have any hedging volumes in alumina, any hedge in volume and prices?

Brijendra Pratap Singh: No, we have not gone to that area because most of the product of aluminum is our domestic sales. So, we have not tried to go for the hedging, because our price mechanism is very transparent and based on our LME. So, that we don't feel is required for NALCO now. So, we have not gone into that into hedging.

Amit Lahoti: Okay. Thank you and all the best.

Brijendra Pratap Singh: Thank you.

Moderator: Thank you. Our next question comes from the line of Aditya Welekar from Axis Securities. Please go ahead.

Aditya Welekar: Yes, sir. Thank you for the opportunity. My question is with respect to our fifth stream of alumina refineries. So, how much are we targeting for FY '27? In our earlier call, we had said a number of five to six lakh tons. So, is that number intact and can we expect a full ramp up in FY '28?

Brijendra Pratap Singh: Yes. Yes. That will be the full ramp up there and whatever we have planned of 5 lakh tons, that will come, because in June when we will commission, we will be having around eight months to nine months in hand. So, 5 lakh tons is the plan which we are having now also. And FY '28 will be the full ramp up.

Aditya Welekar: Understood. And coming on the smelter expansion. So, in the earlier call, you have said that we will file for DPR in next two months to three months. So, at what stage are we, is the DPR ready now or it is pending?

Brijendra Pratap Singh: No. No. In the earlier call, whatever I have told, that was not two months to three months DPR preparation. That was the appointment of consultant. Our

plan as of now is that both for CPP and smelter, our DPR, we have appointed the consultant for CPP and DPR for consultant for smelter is on the process. This month it will be appointed. They will be taking six months to make the DPR.

Our plan is at '26 June, maybe June, July, the DPR will be ready and we will take it to the board. And after board approval, we will start the tendering process and complete the all ordering by '27 March. And after that, the actual groundwork will start. And from there, three years to three and a half years will be the timeline for commissioning of the plant. Means somewhere around 2030 last, December 2030. That is the plan which we are having.

Aditya Welekar: Understood. Understood. So, basically our capex for that smelter will start, will kick start from '27 onwards, right? Is that understanding correct?

Brijendra Pratap Singh: Yes. Start from '27 onwards, yes. In financial year '27, '28 it will come. Correct.

Aditya Welekar: And what will be our guidance?

Brijendra Pratap Singh: Three years to four years.

Aditya Welekar: Go ahead. Sorry.

Brijendra Pratap Singh: Total capex, total capex involvement.

Aditya Welekar: Yes. So for '26...

Brijendra Pratap Singh: Total capex involvement for smelter. For smelter, the capex required will be around in between INR17,000 crores to 20,000 crores. And for power plant, it will be around INR10,000 crores to 11,000 crores. So, combined if you see, it will come to around INR30,000 crores.

Aditya Welekar: Right. So, from the first -- from FY '27, on a ballpark basis, what kind of capex means we can expect, we can build in and what will be guidance of capex for '26 -- FY '26?

Brijendra Pratap Singh: Hi. Yes. Very good question. If you see the balance sheet and net worth of the company and the cash generation being made from every year. And

presently we are having -- end of this September, we are having a cash balance of around -- cash and that is total -- cash and equivalent -- cash equivalent, it is INR7,900. And if you go on earning profit in this rate, then we will have a balance of near about INR20,000 plus.

But we don't think our requirement is INR30,000, okay. There are two models we are now interpreting to go for this capex. One is smelter EPC and power at JV. If you go to the project in EPC mode, we may need at the end of the year, '27, '28 or '28, '29, the requirement of fund will be around INR5,000 crores to INR6,000 crores. Because our cash balance will take care of the intermediate payment. If you go to the second model, EPC on smelter and JV, 50% JV power, then we may not require any outsource support to finance our project. This is out of the projection which we have made.

Moderator: Our next question is from the line of Vikas Singh from ICICI Securities.

Vikas Singh: Thank you, sir, for the opportunity and congratulations on good set of numbers. Sir, just coming back to our alumina sales. So we probably have brought down the inventory now. So how should we look at the second half total alumina sales vis-à-vis annual guidance? Hello?

Brijendra Pratap Singh: Yes. H2 also our -- whatever our alumina sales, like H1, we have done the sales of around 7 lakh tons. So H2 also, our overall yearly plan was around 12 lakh tons to 12.5 lakh tons. So H2 sales will be around maybe somewhere around 6 lakh tons to 6.5 lakh tons of sales will be there.

Vikas Singh: Noted. And how should we look at the average prices? What prices was the average you have seen in the 2Q for both alumina and alumina?

Brijendra Pratap Singh: Average prices if you see in Q2, the average price which we got was around \$380. But as of now -- as of date, the spot prices are around \$320. So H2, we are expecting somewhere, if it is slightly favorable, it will be somewhere in between \$320 to \$340.

Vikas Singh: Okay.

Brijendra Pratap Singh: Alumina. And if you total...

Vikas Singh: Okay.

Brijendra Pratap Singh: Metal our -- if you see metal LME in the Q2 was around INR2,597, around INR2,600. And in the remaining, as of now, the LME is around INR2,850. So the projection is there, it will go to INR3,000 also, but it all depends. We are expecting that in H2, the LME will somewhere be in between INR2,800 to INR2,900.

Vikas Singh: Noted. Sir, any progress we have made in the KABIL joint venture which we have tried in the Argentina or any other rare earth metal? Because there is a lot of buzz that we are looking to some of the rare earth metals. So if you could give us some idea about those segments?

Brijendra Pratap Singh: As far as KABIL is concerned, KABIL, we have got five mines in Argentina and this all five mines non-invasive exploration is complete. We have done the non-invasive exploration. After that, now we have to go for invasive exploration. The results of non-invasive exploration was good. Non-invasive means we do it from the surface, from the top. Now we have to do the drilling and see the actual depth where the lithium is available.

So for that, the appointment of consultant has been done. This consultant is going to appoint an exploration agent which will be done in the next one month or two months. This exploration agent will start the exploration. And next six months, we will be knowing the results at what height, at what depth the lithium is present. After that, it is the responsibility of the exploration agent to set up a pilot plant. They will set up a pilot plant there.

And the result of the pilot plant regarding the grade of lithium and the commercial mining, that will come in the next eight months to nine months. Means next one year, one and a half years, next one year and a half years, we'll be able to know whether the commercial mining there is possible or not.

But since there are already operational mines there, the Chinese mines are already operating in the nearby area, we are quite hopeful that the lithium will be there and the commercial mining will be there. But after this exploration,

next one and a half years, we'll come to know what level of commercial mining we have to do.

Vikas Singh: Noted. And sir, just one last question. This fifth stream of alumina value will be completing next year. What -- by that time, what would be the total capex you would have invested in this project, basically? So -- and what is now the restated IRR giving the alumina prices are lower, plus the Pottangi bauxite mine update by when you are expecting it to start?

Brijendra Pratap Singh: As far as the total capex is concerned, the total capex is around...

Management: INR5,000.

Brijendra Pratap Singh: INR5,000, INR100 crores, INR200 crores, INR300 crores alumina projects. Somewhere around that will come total for alumina. But as of now, we are seeing the alumina prices are on the lower side. Depends on the global scenario of the ability of the bauxite, ability of the alumina, it can go high also. It is very difficult to calculate the IRR. But whatever we are seeing, whatever our cost of production of alumina will be there.

We will be getting at least -- we will be having a positive margin to that. Minimum we will be getting a 10,000 plus of margin to that of in our export market or in the domestic market. So we will be having a positive margin in alumina. As far as Pottangi mines is concerned, this month itself we are going to order the MDO tender. And our target is June -- by June we have to start the mines.

Moderator: Our next question is from the line of Kirtan Mehta from Baroda BNP Paribas Mutual Fund.

Kirtan Mehta: The first question was about our refinery expansion. We have mentioned that we have achieved 80% physical completion. Could you highlight what are the key packages pending within 20% completion and what are their timelines? And the second related question was, what is the actual capital spent that we have done so far? And how is our plan for sort of the rest of FY '27, as well as FY '27 on the capital capex spent for the refinery?

Brijendra Pratap Singh: As far as the physical completion of the project, around maybe 77%, 80% -- 7%, 78% is done. And a few of the packages like precipitation tank, hydrate filtration, calcination, evaporation, these are the four or five packages which are very critical, and these four or five packages and the rest later is on the electrification. That is the laying of cable and final instrumentation and automation job, which is the last thing to be done.

So, all these timelines what we are taking is almost the structural work, structural action, equipment direction of these critical packages will be over by March, April. And from that, three months for overall electrical layout of the cables and connections and trial and testing. So, that will take maybe three months. So, June we are targeting. In June, we will start the commissioning process. As far as the capex expenditure is concerned, till date we have done around INR4,500 crores of capex expenditure in this project.

Kirtan Mehta: What is the plan for the H2 FY '26, as well as FY '27? If you can break up your capex plan as well.

Brijendra Pratap Singh: What do you exactly need?

Kirtan Mehta: No. I was asking.

Brijendra Pratap Singh: We can explain, till May...

Kirtan Mehta: For the balance in FY '26, how much capex you plan to spend on the refinery and what would be your spend on the refinery for FY '27?

Brijendra Pratap Singh: By end of the FY '2, '26, our capex expenditure, we have already accumulated expenditure is INR4,500 crores, and remaining four months, we are expecting to be spend around INR600 crores to INR700 crores on a refinery part. And the balance since the completion date, what CMDR has told is by June, we will be completing this project. And project closure will be there. The balance 10% to 5% payment will be released in that year, FY '26, '27. By FY '26, '27, the project payment and expenditure will be closed totally.

Kirtan Mehta: Also, you mentioned about that they will earn minimum margin of around 10,000 per ton on this project. How does this compare with our existing alumina refinery, this

margin? I mean, what would be the difference between new refinery and existing refinery?

Brijendra Pratap Singh: On our -- Existing will be slightly better, because the depreciation will be not there. We do not -- we will not be having interest. But in this refinery, the cost will be on the lower side because the manpower requirement will be less. It will be having a better efficiency. The caustic soda cost consumption will be less. The volume with one stream.

Now, in the existing, with four streams, we are making 2.1 million tons. But in the new one, with just one stream, we will be making 1 million tons. So, we will be getting the benefit of increased volumes, increased efficiencies.

So, the cost, whatever cost we are incurring now, only slight increase, maybe INR1,000 or INR2,000 tons per ton increase in the cost will be there. So, presently, we are getting a margin -- clear margin of around 12,000 tons, 13,000 tons, 14,000 tons. Maybe that will come down to maybe 11,000 tons in the expansion refinery alumina.

Kirtan Mehta: So, when we say 11,000, it will be the combined operating in EBIT margin that we are talking about, correct? For the combined operation, total revenue in the refinery?

Brijendra Pratap Singh: Total margin. Alumina, we are talking about alumina. Alumina cost, whatever our total cost of alumina and whatever real estate we will get, the difference will be there, will be around 10,000 to 11,000.

Kirtan Mehta: Sure, sir. And one last question.

Brijendra Pratap Singh: Yes, yes, sir. Sorry, sir. Please go on.

Kirtan Mehta: One last question from our side. Could you remind us, basically, the sensitivity of our profit to \$100 change in alumina price and \$10 change in alumina price? Aluminum price, \$100 and \$10 change in alumina price.

Brijendra Pratap Singh: Yeah, if it's still \$100 [inaudible] whatever realization we have achieved in the H1, and there is a fluctuation of alumina price almost 50 in the last, first of the year, and after [inaudible]. So, we are able to sustain that. No issue.

But if it is whereas \$100 fluctuation will be there from the present level, that may affect somehow. But our cost, since the gap is much more between our cost of production and the realization. So, we'll not be affected much.

And what will happen now, if we are to support a setback in alumina segment, then our metal price will be definitely higher. It will take care of the shortfall, which we are expecting in alumina. So, as a whole company, as a whole, we'll not be affected much.

Kirtan Mehta: Sure, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Shweta Dikshit from Systematix Group. Please go ahead.

Shweta Dikshit: Thank you. So, I have one question regarding the commissioning timelines. When we are targeting commissioning by June, when do we expect the commercial production to begin? What is the likely to be the ramp-up schedule? So, I wanted to understand how we are targeting 5 lakh tons of alumina sales in, incremental alumina sales in FY27?

Brijendra Pratap Singh: Commissioning, when we'll start in the commissioning in June, it will take around 2 to 3 months to ramp up the production. To the maybe 60%-70% level. That's why we are targeting around 50% of the production we'll be achieving in the next year of 10 lakhs, 5 lakhs we'll be doing.

If we start in the June, maybe somewhere in August, September, we'll be able to. Because it is a chemical plant, it doesn't take a lot of time. 3 to 4 months, we can reach to maybe 70%-80% of the rated capacity. If everything is okay. That is our target.

So next year, that's why we are planning, we'll be having full 6 months in hand. After September. That's why maybe we are planning 5 lakh tons of production will come from the refinery, new refinery.

Shweta Dikshit: So, but then we are looking at half a million ton of capacity and expecting it to utilize that half a million ton at almost 100%. So is that, it might be theoretically possible,

but does it seem to be practically possible that we achieve the remaining 6 months, we go, we achieve almost close to 100%?

Brijendra Pratap Singh: Remaining 6 months, maybe we'll be ending up with somewhere around 70%-80%. Depends on how the commissioning goes. That depends. That's why we have planned, we'll be doing around 5 lakhs. Maybe. And as far as sales is concerned, we are targeting domestic markets to increase our sales in the domestic market.

And we are targeting some long-term buyers. We are splitting on UI to have long-term customers from maybe Dubai [inaudible] or somewhere who have a long-term tie-up with us. So that our, whatever increase in volumes of alumina will be there, that will get absorbed there.

Shweta Dikshit: All right, noted sir. Thank you.

Brijendra Pratap Singh: Thank you.

Moderator: Thank you. Our next question comes from the line of Pinakin from HSBC. Please go ahead. Pinakin, your line has been unmuted. You may proceed with your question. As we are not receiving a response from the current participant in the queue, we will move to the next participant. Our next question comes from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal: Yeah, good evening, sir. So first question was on the divergence between -- hello? Am I audible?

Moderator: Sir, you are audible. You may proceed.

Brijendra Pratap Singh: Can you be a bit louder?

Pallav Agarwal: Yeah, so the first question was, you know, on the divergence between aluminium and alumina prices. You know, so normally alumina is probably at a 14%-15% off the spot LME aluminium prices over the long-term.

So, recently we have seen that alumina has been pretty weak, whereas aluminium has continued to go up. So any particular reason, you know, for the weaker alumina prices right now?

Brijendra Pratap Singh: Weaker alumina is basically due to the availability of the alumina. In Indonesia, around two or three refineries have started in Indonesia and some smelting capacities have also gone down in a few of the areas. In China also they have restricted their capacities.

In some other areas, some smelters also their capacities have gone down. So that's why the availability of the alumina is more in the market, which has caused to the pressure, price pressure on the alumina.

Pallav Agarwal: Okay. And what about, you know, the alumina, the Chinese alumina refineries, their cost structure is pretty high. So, because probably they're based on imported bauxite from Guinea or some other imported countries.

So, you think that, you know, we've not really seen alumina trading below \$300 for a sustained period of time. So is there a possibility that you can see some recovery in alumina prices, you know, over the medium term?

Brijendra Pratap Singh: Of late, normally in the Q3 and Q4, the productions at all places are on the higher side in the recovery of the prices. Historically, we see in the Q3 and Q4, we get better prices. So we are expecting to go somewhere around 350, it should go.

Pallav Agarwal: Sure, sir. Also, you know, on the cost part, are we seeing any inflation in, cost for, you know, CP coke or CT pitch on the aluminum or caustic soda and the alumina side? So can there be an increase in the cost in the second half?

Brijendra Pratap Singh: Second half, actually first half itself, the cost was on the higher side, the cost of CP coke and caustic soda has increased. So I think the level that will be maintained on that will be slightly go down also, because if we see from last September price, the CP coke last September was around 30,600. And this September and it was around 42,000.

So it is already on the higher side. And even caustic soda has increased from 37,000 to 41,000. So we are not expecting to further increase. It may slightly go down or remain at the same level.

Pallav Agarwal: Okay, sir. So lastly, on the coal. So, I think we would be ramping up a captive coal further. So can we expect that the power and fuel costs will remain in the monsoon quarter also? Earlier we used to see a big jump in power and fuel costs in NALCO. So we have now seen that moderating even in the monsoon quarter. So should this trend continue over the next, over the rest of the year?

Brijendra Pratap Singh: If you see power and fuel costs compared to H1, H1, it decreased by around INR53 crores. Where the price of the coal, we got a favorable of around INR36 crores was there. And due to volume increase of power, that INR245 crores adverse was there.

But efficiency led to around INR135 crores favorable. So it was almost same, only INR53 crores difference was there compared to H1 last year as far as power and fuel is concerned.

Pallav Agarwal: Yes, sir. So with captive coal increasing...

Brijendra Pratap Singh: In the many years also -- captive coal, of course, compared to last year, this year we are increasing. Last year it was around 2.6 or 2.7 million tons. This year we will be doing around 4 million tons. But the cost of whatever FSA coal we are procuring from MCL, Coal India, that is also not very high.

And with the removal of CESS on the coal, we are getting -- we will be getting advantage on the procurement of coal from MCL where we will be getting advantage of around INR67 crores in H2. So almost captive coal and MCL coal will be almost same and maybe reduction of power cost will be further there in H2 with the removal of this CESS.

Pallav Agarwal: Sure, sir. Okay. Thank you so much.

Brijendra Pratap Singh: Thank you.

Moderator: Thank you. We have our next question from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yeah. Good evening, sir, and thank you for the chance. Sir, I missed a few details. So, please excuse if it is a repeat. So, my first question is on the refinery, how much have we spent till date as on September?

Brijendra Pratap Singh: Already we have told around INR4,500 crores expenditure has been made in our 15 refineries.

Sumangal Nevatia: Okay. And, sir, on the Pottangi mines?

Brijendra Pratap Singh: Pottangi mines, already we are in the process of appointing MDO. This month, we'll be appointing MDO. And our target is June next year we will be starting the mines.

Sumangal Nevatia: Okay. Okay. So, in case there is delay in the mine conditioning, what is the plan B for the initial few months in case there is a delay?

Brijendra Pratap Singh: Already we have a separate project where alternate sourcing of bauxite is there. We are making a parallel conveyor downhill from our existing mines, perforated mines, which will be having a capacity of around 30 lakh tons per year. So, that will get commissioned in April-May next year.

So, till the actual production from Pottangi starts or if it gets delayed by a few months, the production from this alternate sourcing of bauxite will come. So, there will not be a shortage of bauxite for the expanded refinery.

Sumangal Nevatia: Understood, sir. So, from the new refinery, what will be the cost? How will be the cost different from the existing refinery? You explained on the profit. If you can just share, what is the cost difference given the employee efficiency and the overall economics?

Brijendra Pratap Singh: You see, in the existing refinery, we have the capacity of 2.1 million tons, which is done from four streams. So, there the manpower cost is very high. And in the new refinery, only one stream will be doing around 1 million tons. So, the manpower requirement will be less.

And it is with the latest technology, which is high-pressure digestion technology, where the caustic soda consumption will be on the lower side and

other efficiencies will also further increase. So, what we are expecting that there will not be much increase in the prices.

There will be -- we will be getting advantage of manpower cost and efficiencies in technology and all that. Of course, the excess expenditure on depreciation cost will be there. Interest is not there because we have not taken any loan for that. Some depreciation cost will be added to our production costs. So, maybe it will be almost same or maybe one or two thousand more than the existing price.

Sumangal Nevatia: Okay. Okay. So, fine. Sir, on the coal mine, what is the production of captive coal in the first half and how much have we bought from outside?

Brijendra Pratap Singh: Our annual target is around 4 million tons. So, first half we have done almost around 2 million tons. Somewhere around 2 million tons we have done the production. So, we will be nearing around 2 million tons. 1.96 million tons already we have done. So, we are on the target of doing around 4 million tons. We will be completing in the year end.

Sumangal Nevatia: And sir, our requirement is close to 6.5, 7, is that right? So, remaining 3 million ton annually we are...?

Brijendra Pratap Singh: Our requirement is around 7.2 million tons, 7, 7.2 million tons. So, 4 million tons we will be getting from here and around 3 million tons from our FSA, that is MCL, from Mahanadi Coalfield.

Sumangal Nevatia: Okay. And sir, entirely we are buying from them under FSA. We are not buying anything from the auction, right?

Brijendra Pratap Singh: No, no. e-auction we are not taking of late. We are only taking through that FSA.

Sumangal Nevatia: Understood. And sir, the cost after the [inaudible] removal, you said for the captive versus the FSA, it is very similar delivered at the plant?

Brijendra Pratap Singh: The delivery cost after including FET, it is around [inaudible]. But presently the coal is being procured through FSA. And the coal being produced internally,

captivized, there is a difference of INR300 to INR400. But after removal of the CESS, INR400 per ton. So, I think both the costs will be almost equal.

Sumangal Nevatia: Understood. Understood. And just one last question, are we buying any power from the grid or it is entirely captive?

Brijendra Pratap Singh: Actually, earlier we used to buy power from the grid whenever there is any problem near CPP. But it is a good thing to notice that this year we have reduced purchase power to minimum. Last year we have purchased almost 3,81,000,000 units from Grid Coal, which is a very costly one.

But this year up to September, we have only used 77 lakhs per million units. Because we have produced more power from our internal CPP plant. So, there is a substantial saving by not purchasing power from the Grid Coal. Purchasing the power from [inaudible] through our internal source.

Sumangal Nevatia: And going forward, sir, will that go completely or remain at this level? Around 77,000.

Brijendra Pratap Singh: So, last year we have purchased the power. CPP, INR186 crores was 24, 25 and INR186 crores. And this year we have purchased only for INR50 crores. So, around INR136 crores of saving in H1 is there compared to last year. As far as purchase power from the grid is concerned.

Sumangal Nevatia: Understood. And sir, going forward, is it likely to completely become captive or this is the level which will continue?

Brijendra Pratap Singh: We have got a capacity of around 1,200 megawatts. We normally have 10 units running. 10 units installed of 120 megawatts. So, we do annual overhauling of one unit and we keep one unit in standby.

Sometimes due to some issues, some breakdowns, sometimes we have to shut down the running boilers or maybe turbines. Some issues are there. Then only we do take the power from grid. Otherwise, the total captive power is there.

Sumangal Nevatia: Understood. And sir, just one last. Got it. Got it. And sir, when is the mine lead renewal due for our existing bauxite mine?

Brijendra Pratap Singh: Existing bauxite mine renewal, I think it is up to '29. We will have to find out and check it.

Bharat Sahu: 29.

Brijendra Pratap Singh: 29. We have north and central block and south block. So, central block is up to 29 and south block is up to 35, I think. We will have to check up the data.

Sumangal Nevatia: Okay. So, after the expiry and renewal, what is the increase in royalty cost which will happen?

Brijendra Pratap Singh: If you see the Mineral Conservation Rule, there is a condition that the renewal will be given for another 20 years to the government company. There is a concession in the Mineral Conservation Rule which has been 2015 and thereafter amended.

There is a provision that the government company will be given another 20 years lease. They may charge some extra royalty that is not known to us till now. But there is a certainty that we will be getting that mines. But what premium they will be charging, that is not known till now. That depends upon the government policy.

Sumangal Nevatia: Okay. Okay. So, for iron ore, it is 150% of existing royalty. So, I just wanted to know.

Management: Yeah. I don't know. Iron ore is there. For Bauxite, it is not -- clarity is not there.

Brijendra Pratap Singh: Iron ore, after 2015, any renewal of the mines, 150% extra. But the government is now thinking to change that. There is news that the government is trying to withdraw that additional royalty which they are imposing on iron ore mines.

Sumangal Nevatia: Got it. And sir, any forecast on the employee cost? That has been quite stable. So, what do we expect for this full year and next year, employee cost?

Brijendra Pratap Singh: Employee cost, our employee cost, if you see the percentage wise, it is around 18%. And with the retirements coming, few of the senior level people will get retired. It is not going to increase. It will reduce. Maybe it will come down to maybe 15% base. Because how long it will go, reduction will be there. So,

the volumes are also increasing. So, it will reduce by maybe 2-3%, not much. Because we are planning for some recruitment also.

Sumangal Nevatia: Okay. So, around INR1,800 crores.

Moderator: Sir, sorry to interrupt. We request you to please rejoin the queue if you have further questions. Thank you.

Sumangal Nevatia: Got it. Thank you and all the best.

Moderator: Our next question comes from the line of Tushar Chaudhari from Prabhudas Lilladher Private. Limited. Please go ahead.

Tushar Chaudhari: Yeah, good evening, sir. Thanks for the opportunity. Sir, just wanted to know why our metal sales were lower in this quarter? Production was pretty good.

Brijendra Pratap Singh: Metal sales were lower due to less demand from the market. The demand from the market due to excessive of rains. The overall demand, especially wire rods and flat products, the demand was very less. And we are having the stocks, which we will try to clear off in this month. So, stocks are there. That is the reason the demand was very less.

Tushar Chaudhari: And has it improved now in this month? I mean, as monsoon has receded, but -- or do you expect it to improve?

Brijendra Pratap Singh: Because it is the beginning of the month. So, projections are there that it will improve further.

Tushar Chaudhari: Secondly, sir, what is our spot-to-contract ratio in alumina sales? On contract basis, we sell how much in this contract for alumina in export market?

Brijendra Pratap Singh: We have a term contract and spot contract. So, we have done two term contracts. One term contract is for 3 months and one term contract is for 6 months. So, for next three months, normally every month we do around four shipments -- four to five shipments. So, next three months, two shipments will be term and two or three will be spot. And after that, next three months also, we will be having around one shipment of term, but we are going for one more

term if we get better prices. We are targeting at least 50% should be term and 50% should be spot.

Tushar Chaudhari: Okay, but when prices are higher, you usually try for higher spot, right?

Brijendra Pratap Singh: Actually, now the LME is on the higher side, and the forecast is that the LME will go high. So, when the LME is high, it is better to go for term, because the term contract is linked to the LME, and now the spots are very low. The spots are on... just we are getting \$310, \$320.

And like this month itself -- this month itself, whatever our term contract is there, from there we will be getting around \$350, but our spot, we are getting around \$320.

Tushar Chaudhari: Okay, okay. And sir, just in connection with the earlier question, what will be our approximate cost of landed coal from captive mines? I don't know what exact, but it will be less than INR2,500.

Brijendra Pratap Singh: Sir, it is around 16 to 17 hundred. It is around INR1,600 to INR1,700 per ton.

Tushar Chaudhari: Okay, okay.

Brijendra Pratap Singh: Landed at our power plant.

Tushar Chaudhari: Landed at our power plant. Thanks a lot, sir. Best of luck.

Brijendra Pratap Singh: Thank you.

Moderator: Our next question comes from the line of Rajesh Majumdar from 360 One Capital. Please go ahead.

Rajesh Majumdar: Yeah, good evening, sir. I had a few questions. Sir, the aluminum total revenue for the quarter is about INR2880 crores. If you divide that by the aluminum sales, then the realization is about \$2900. Does that mean that the domestic premium was about 10% this quarter? Or am I reading something wrong here?

Brijendra Pratap Singh: Just, if you can just again tell about what you want to know?

Rajesh Majumdar: I'm saying the aluminum segment turnover is INR2880 crore. If you divide by the volume, it is giving a price of INR2,57,000, which is about \$2,900 plus. Does that mean that the domestic premium was about 10% this quarter? Is that the right way to look at it? Or is there something else?

Brijendra Pratap Singh: Aluminum, as far as aluminum metal is concerned, in metal, most of our metal is here selling in the domestic market. This quarter, Q2, if you see, in Q2, the average LME was around 2597. And Q1 was around 2447. So around \$150 increase in LME was there compared to Q1.

Rajesh Majumdar: No, I understand that, sir. But if you divide the segment revenue by the volume, it is much more than that. It is coming close to \$2,900. So does that mean that domestic premium is... If you can give me the domestic realization in rupees per ton for the quarter, then probably we can reconcile the number, because the domestic premium seems to be very high. It's about 10%.

Management: So, fees per ton, if we see for the quarter, I think it will come somewhere around...

Brijendra Pratap Singh: Quarter 2, it is coming around [inaudible]. Quarter 2, that's the domestic realization.

Rajesh Majumdar: Yes.

Brijendra Pratap Singh: And H1 average, if you take H1 average, including your first quarter also, it is around \$246,000.

Rajesh Majumdar: That means that the domestic premium is close to 10%, sir, above the LME. The domestic premium. India premium. You are suggesting about 10% higher.

Management: Yes. Because of custom duty.

Rajesh Majumdar: And how much is the premium now? Will it be around the similar levels or it will be lower? Because normal range is about 6%-7%, the domestic India premium. Will it be at 10% or will it come down a little bit?

Brijendra Pratap Singh: If you see our pricing mechanism, there are a few factors which decide our price. That's the import custom duty we add and some inland transportation

costs from port to the location of the supplier, that we also added. Everything if you added, it is around 10%. You are right.

Rajesh Majumdar: So, going forward, also 10% is the right assumption or will it be like slightly lower than this?

Abhay Kumar Behuria: That we cannot disclose it now. That is our pricing policy and we will discuss and review that, what is best possible. We will keep doing that. Seeing the market condition and all other factors.

Rajesh Majumdar: Okay. And secondly, your aluminum volume for the full year will still be 450,000. That means second half we will do much more than the first half in terms of aluminum volumes.

Brijendra Pratap Singh: So full year we are planning for \$470,000. \$470,000 is our total plan for the full year.

Rajesh Majumdar: On the existing spot lines, how much total volume can we go up to maximum?

Brijendra Pratap Singh: The rated capacity is 450 but this year we are planning 470. And the present rate, whatever rate we are going, we are going at the rate of \$470. The \$2,000 add of whatever we have. So if everything goes okay, we will be able to do at least minimum \$470,000.

Rajesh Majumdar: Okay. And sir, secondly, has your aluminum -- alumina cost of production fallen over the first quarter? Because if you look at the inter-segment sales of alumina, the realization has fallen per ton on similar production. That means that the cost of production of alumina has fallen for some reason.

Brijendra Pratap Singh: Yes. That is true because we have done excellent job in our technical front, which has given us a very good benefit by reduction in the consumption of caustic soda, which is a major input material for our alumina. So definitely, our costs have come down compared to the first quarter.

Rajesh Majumdar: And that is sustainable according to the cost of production.

Brijendra Pratap Singh: Yes.

Rajesh Majumdar: And sir, one last question from my side. yes, sir what are you saying.

Brijendra Pratap Singh: What I was telling to the caustic soda prices has also gone down. June 25, the price was around 44,000, the present caustic soda price is around 41,000.

Rajesh Majumdar: And how much are we getting from the JV now, from the Gujarat alkali JV? And what is the cost of the caustic soda?

Brijendra Pratap Singh: JV, whatever cost prices we realized from the market, the same price we took from JV also the discovered price from the market.

Rajesh Majumdar: Okay. So you think that the cost savings that you've got in the production cost is more or less sustainable over the balance part of the year.

Brijendra Pratap Singh: Yes, yes is sustainable. Whatever we -- caustic soda the specific consumption which we are getting now is around 96 kg per ton of Alumina production. So that we'll be able to sustain.

Moderator: Our next question is from the line of Manav Gogia from Yes Securities Limited.

Manav Gogia: Yes, hi. Thank you so much, sir, for the opportunity. Sir, my first question comes for the Metal segment. If I look at the aluminum EBIT for this particular quarter, that has gone up sharply on a quarter-on-quarter basis. Could you highlight the factors for the same?

Brijendra Pratap Singh: You are talking about realization?

Manav Gogia: No, I'm talking about the segment results for Alumina?

Management: Can you please repeat your question?

Manav Gogia: For the segment results for the Alumina segment. Hello?

Management: Yes, please continue.

Manav Gogia: Yes. So sir, for the segment results for the aluminum segment, we have a number of INR1189.37 crores and the top line of INR2,880 crores that's roughly 41%.

Brijendra Pratap Singh: You're right, you're right. If you compare the quarter 1 of aluminum segment price and quarter 2. The average price for the quarter 1 was around INR2,37,000, whereas it is the quarter INR255,000. There is a jump of INR18,000 in price per ton of aluminum. That is one of the major factors that aluminum realization in the second quarter is better than the first.

Manav Gogia: Okay. So it's much more pricing led rather than on the cost of production side?

Brijendra Pratap Singh: I think also slightly, we have increased on the volumes also. Like first quarter volume was around 1.15. Second quarter, it was around 1.19, slight increase, around 3%, 3.4% but more fees are from the pricing.

Manav Gogia: Sure. Got it, sir. Sir, my second question is, I might have missed the number earlier. Could you give me what is the targeted sales in the second half for the alumina and in the chemical business?

Brijendra Pratap Singh: Alumina yearly sales we have planned of around 12.5 lakh tons of alumina sales. So first half, we have done around 7 lakh tons. For the rest of the year, we will be planning around 6, we'll be reaching around 13 sales. So around like 6, 6.5, we'll be selling Alumina. And as far as metal is concerned, metal sales will almost be same, which is there in the first half. 2.26, we have done in the first half. So if we are producing 4.7%, the rest of the things will be sold.

Moderator: Our next question comes from the line of Siddharth Mehrotra from Kotak Securities.

Siddharth Mehrotra: Just a couple of quick questions. Sir, can you just give me some guidance on your employee cost for example, for this year and next year? I see that they are on a declining trend, but what should that number be?

Brijendra Pratap Singh: Employee cost, we are at present it is around 18% of the total cost. If you see the quarterly expenditure as well as employee benefit is concerned, it is around INR440, it was around INR440 crores this quarter. Earlier quarter was also around INR445 crores. So annual, if you see it will go to around maybe somewhere around INR1,900 crores. And for next year it is around 18% of the total cost.

- Siddharth Mehrotra:** Got it, sir. And for next year, around say INR1,650 type of crore, that reduction seems possible or higher?
- Brijendra Pratap Singh:** Next year.
- Siddharth Mehrotra:** Yes, next year. This year, you have seeing INR1,700-odd crores.
- Brijendra Pratap Singh:** Next year, we are going to ask some NPAR, but that cost will be offset by our volume because we are adding new first retirements or also there 200 retirements. It will go slightly we go to around maybe 16% -- 10%, 15% will be the total cost.
- Siddharth Mehrotra:** Okay. So basically, you're saying that we start some sort of declining in there as well, right? Is that understanding correct, sir?
- Brijendra Pratap Singh:** Yes. The declining trend, of course, will be there because whatever our employees are retiring and here on the highest slab of the basics -- basics and salary and whatever we are recruiting they are on the minimum scale. So the average salary will go down.
- Siddharth Mehrotra:** Understood. Sir, one small clarification. In an earlier earnings call, we had said that we had increased our alumina inventories. So in this quarter, I see that our alumina sales are much higher, so was there a liquidation of these alumina inventories, which sort of led to much higher alumina sales this quarter? Or was there some other reason?
- Brijendra Pratap Singh:** Alumina [inaudible]. You could think about alumina inventory.
- Siddharth Mehrotra:** Correct. So was there a liquidation of this inventory, which led to much higher alumina sales this quarter?
- Brijendra Pratap Singh:** We have increased the production of -- the production of calcined alumina, some H1 production compared to last year H1, it has increased by 31%. Last year, H1 we have done around INR8.84 lakhs. And this year at H1, we have done around INR11.61 lakh more. So, the production has increased substantially that has led to the increase in the sales.

Siddharth Mehrotra: No, sir, I understood that point. Let's say, for example, when I'm talking about alumina sales, you're giving me a full year guidance. In the second half, you are saying that we will do 66.5 lakh tons.

In the first half, we've done 7 lakh tons. So, what I'm saying is that this number is higher because of 2Q, which means that -- was there some sort of inventory sales from alumina as well contributing to this.

Brijendra Pratap Singh: It is not there earlier, inventory was there, once our stocks of alumina in the March 2025 was at the minimum level. So whatever sales we have done is on the production, because you see we have done the alumina production of 11.61 lakh tons and metal production – cast metal production was 2.34, so 2.34 means for that, we require alumina of around 5% -- 4.6% from 11.63% reduced 4.6%. So that's somewhere around 7%, it will come. So 7 lakh we have sold.

Siddharth Mehrotra: Got it sir, got it. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take that as a last question. I would now like to hand the conference over to Shri Bharat Kumar Sahu, Company Secretary, NALCO, for closing comments. Over to you, sir.

Bharat Kumar Sahu: Yes. Thank you, operator. Thanks to Systematix group for taking keen interest in our financials of NALCO, and we always solicit this kind of response and this kind of support from your end, year-on-year basis. Thank you all for giving time to NALCO and participating in this conference call. Once again, thank you, and good bye.

Brijendra Pratap Singh: Thank you.

Moderator: Thank you. On behalf of NALCO, we conclude this earnings call. Thank you for joining us. You may now disconnect your lines.
