



INDIAN METALS & FERRO ALLOYS LIMITED

29<sup>th</sup> May 2025

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**Stock Symbol & Series : IMFA, EQ**

The Deputy General Manager  
(Corporate Services)  
BSE Limited  
Floor 25, P.J. Towers  
Dalal Street , Fort  
Mumbai-400001  
**Stock Code : 533047**

### Sub : Earnings Call Transcripts

Dear Sir / Madam,

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio call recording of the Company's Investor / Analyst Call held on 23<sup>rd</sup> May, 2025 on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 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



“Indian Metals & Ferro Alloys Limited  
Q4 FY25 Earnings Conference Call”  
May 23, 2025



**MANAGEMENT:** **MR. BIJAYANANDA MOHAPATRA – WHOLE TIME  
DIRECTOR AND CHIEF OPERATING OFFICER – INDIAN  
METALS AND FERRO ALLOYS LIMITED  
MR. SAUNAK GUPTA – CHIEF FINANCIAL OFFICER–  
INDIAN METALS AND FERRO ALLOYS LIMITED  
MR. BINOY AGARWALLA – HEAD POWER BUSINESS  
UNIT – INDIAN METALS AND FERRO ALLOYS LIMITED  
MR. SANDEEP B. NARADE – HEAD MINES BUSINESS  
UNIT – INDIAN METALS AND FERRO ALLOYS LIMITED  
MR. SURESHBABU CHIGURUPALLI – HEAD  
FERROALLOYS BUSINESS UNIT – INDIAN METALS AND  
FERRO ALLOYS LIMITED  
MR. M. VENKATESH – HEAD SALES AND MARKETING  
FERROALLOYS BUSINESS UNIT – INDIAN METALS AND  
FERRO ALLOYS LIMITED**

**MODERATOR:** **MR. ARYAN RANA – VERITAS REPUTATION PRIVATE  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Q4 FY '25 Indian Metals and Ferro Alloys Limited Earnings Conference Call arranged by Veritas Reputation. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aryan Rana from Veritas Reputation. Thank you, and over to you, sir.

**Aryan Rana:** Thank you, Muskan. Good afternoon, everyone. On behalf of Indian Metals and Ferro Alloys Limited, I extend a warm welcome to all participants joining us for today's earnings call. We appreciate your continued interest and support. This session aims to provide deeper insights into our performance for Q4 and the full fiscal year ended March 31, 2025, as well as the strategic direction for the road ahead.

Following the opening remarks by our management, we will open the floor for Q&A session. And finally, keep your questions concise and relevant to allow broader participation. IMFA, India's leading fully integrated producer of ferroalloys has demonstrated resilience in Q4 FY '25 despite ongoing market challenges. The performance underscores the company's focus on operational excellence, disciplined execution and long-term value creation.

Our financial results and investor presentation 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 in today's 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 today on today's call are and I welcome Mr. Bijayananda Mohapatra, Whole-Time Director and Chief Operating Officer; Mr. Saunak Gupta, Chief Financial Officer; Mr. Binoy Agarwalla, Head Power Business Unit; Mr. Sandeep B. Narade Head Mines Business Unit; Mr. Sureshbabu Chigurupalli Head, Ferroalloys Business Unit; Mr. M. Venkatesh, Head, Sales and Marketing, Ferro Alloys Business Unit.

With that, I would now like to hand over the call to Mr. Saunak Gupta, our Chief Financial Officer. Over to you, sir. Thank you.

**Saunak Gupta:** Thank you, Aryan and good afternoon, everyone. Thank you, everyone, for joining today's earnings call on Q4 FY '25 financial results, in my first earnings call briefing to you all as CFO of IMFA. Let me take you through the financial highlights for the fourth quarter and full year ended March 31, 2025.

At the macroeconomic level, Q4 FY '25 experienced uncertainty on trade policy-related developments, along with geopolitical situation impacting several segments of commodity

markets. Global ferrochrome market traversed through a phase of subdued global demand and weak pricing trend. Despite this, IMFA demonstrated resilience and marshalled its resources on cost optimization, operational efficiency improvement and leverage its fully integrated model.

The standalone and consolidated financial results have been already uploaded in our website for your perusal. As you would have seen in our results, despite headwinds our focus on efficiencies and disciplined capital allocation allowed us to deliver a positive free cash flow, retain a healthy financial position.

Some of the key business and strategic highlights of FY '25 are chrome ore raised crossed 7 lakh metric tons for the first time for IMFA. Our work has commenced on the 96,000 metric ton per annum Greenfield ferrochrome expansion project in Kalinganagar. The orders & LOIs have been placed for civil and structural works, major furnace equipments and power transformers.

During the year, IMFA has signed a power purchase agreement with JSW Green Energy Group to acquire hybrid renewable power of 70 megawatt contracted demand. Further, we have entered into another binding term sheet with Ampin Energy Utility One Private Limited to acquire hybrid renewable energy of 40 megawatt contracted demand. This will enhance energy security and will substantially reduce our carbon footprint. IMFA has also received necessary statutory clearances for the 120 KLD ethanol project and has also placed all the major equipment orders. Boundary wall for the project has been also completed.

Further, during the year and especially in quarter 4, the Regional Director, Eastern Region has approved the scheme of amalgamation of the merger of Utkal Coal Limited with IMFA with an appointed date of 28 March 2025. Financial entries for merger as per IndAS have been passed in the financial books of IMFA in quarter 4 of FY '25.

While the macroeconomic environment remains uncertain, early signs of recovery in pricing, particularly in April onwards, gives us confidence in a more stable FY '26. Globally, the stainless steel production has grown by 7% in calendar year 2024 and capacity rationalization in markets like South Africa is expected to rebalance the supply-demand dynamics. In FY '26, we remain focused on cost optimization, operational efficiency and executing on our growth initiatives and to deliver the value to our stakeholders.

With that, I will now open the floor to any questions that you all may have.

- Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Aashav Patel from Molecule Ventures PMS. Please go ahead.
- Aashav Patel:** Thank you for the opportunity, Very good afternoon to the entire team. So, sir, my first question is, what is our EBITDA cost per metric ton for FY '20 -- sorry, for Q4 FY '25?
- Saunak Gupta:** Yes. So the EBITDA cost is INR76,980 for quarter 4 FY '25.
- Aashav Patel:** Okay. And sir, what is our met coke cost for Q4, the same quarter?
- Saunak Gupta:** For the ferrochrome cost per metric ton in it...

**Aashav Patel:** No, met coke?

**Saunak Gupta:** Yes, I'm saying that per metric ton cost of ferrochrome, the met coke component in that is about INR15,150.

**Aashav Patel:** Okay. So it is similar to that level. So why I'm asking this is because met coke prices have been continuously falling very much. So I just wanted to understand and gauge when do we accrue the benefit of falling met coke prices. So if INR15,000 per metric ton is the rate for Q4, how do you expect -- what was the opening inventory for this financial year of met coke per metric ton value?

**Saunak Gupta:** I'll put it to Suresh. Will you be able to give your inputs on that? Suresh? I think Suresh would have dropped out. So if you see in last year, our average met coke cost was INR18,881. From there, this year, we have come down to INR15,543. But we usually keep the stock of about 3 months because a major portion is imported. The flow down will take some more time, but we have already envisaged and seen a drop in the current year compared to last year's average.

**Aashav Patel:** Okay. So we should see further benefit in Q1 and Q2 of falling met coke prices?

**Saunak Gupta:** Yes. If we see that drop, we will definitely get something.

**Aashav Patel:** And sir, our ore raising is now highest ever. We are close to 7 lakh range. So I just want to understand how the inventory of chrome ore has improved over here over the last, say, 2 years. For example, earlier, we used to keep close to 2 lakhs ton of inventory versus what does it look like right now?

**Saunak Gupta:** Yes. So on that part, I will just request Sandeep, our Mines BU Head to put insight on that.

**Aashav Patel:** Sure.

**Sandeep B Narade:** So right now, we are having about more than 4 months of inventory of ore at our plant site, both the plant sites. And also at mine about 2.5 months inventory is with us ready to dispatch.

**Aashav Patel:** Okay. So earlier, what was this figure, say, a year back?

**Sandeep B Narade:** It was about in the plants about 3 months stock was there, at mines about 1 month stock was there.

**Aashav Patel:** Okay. So we have basically increased our inventory on books by close to 50%, right?

**Sandeep B Narade:** Yes.

**Aashav Patel:** Okay. And sir, equipment order has been completed for Kalinganagar expansion, equipment ordering?

**Saunak Gupta:** Yes. So major equipment ordering has been done for Kalinganagar project. And the point is that, we have planned to commission it mid of next year, the first furnace somewhere in June '26. So

that is on track. And on the earlier question you were having on the chrome ore, there is a 50% increase from last year, it's not 50%. That is around 20%, 25% increase from last year.

Basically, we are building it up for the Kalinganagar project, we will be requiring chrome ore. So as you know, we cannot immediately jack up our production at the time of commissioning, we have to build it up. Gradually, we are building it up for the chrome ore production.

**Aashav Patel:**

Got it, sir. And sir, regarding the recent Merafe shutdown, what we have been hearing, I guess, close to 8 lakh metric ton has been brought down by Merafe in South Africa. So can you please throw some more light on the mine -- sorry, furnace closure in South Africa, how that has moved and what other players like Glencore was also earlier reviewing their business situation, but not sure whether they have closed down also or not? So can you please throw some light?

**Saunak Gupta:**

Yes, I'll pass on to Venkatesh, our Sales and Marketing Head to add his insights on that.

**M Venkatesh:**

Right. So Merafe announcement, Merafe and Glencore are partners, so they are partners. So Merafe's announcement was due to the market conditions, so the reduction in production. But Glencore also has announced they will start looking at more chrome units. So what they mean by that is because -- there are challenges in South Africa.

Electricity costs have gone up and the challenges with regards to the ferrochrome market per se. So they have reduced the production on a temporary basis. And when they say chrome units, I believe they would be looking to export maybe more of chrome ore out of South Africa.

**Aashav Patel:**

Okay. But -- okay. So let me put it other way around. Given that China completely is dependent on the imported chrome ore. Right now, as we speak, still we are at an advantage of, say, close to 20,000 metric ton per ton in terms of cost of production compared to China because of our captive ore?

**M Venkatesh:**

I don't have the exact cost of China. Yes, we have an advantage of having a captive mines. China has totally to depend on South African ore, primarily South African ore. So definitely, the cost of production as far as chrome ore, both would be higher. But as far as other raw material goes, they may have a slight advantage, more specifically to do with coke.

**Aashav Patel:**

Okay. And sir, recently there was...

**Moderator:**

Mr. Patel, I'm sorry to interrupt. I just request you to follow with the queue, please.

**Aashav Patel:**

Sure.

**Moderator:**

Thank you. The next question is from the line of Aditya Welekar from Axis Securities. Please go ahead.

**Aditya Welekar:**

Sir, my question is on this forward-looking guidance, means what kind of ferrochrome production we -- trajectory means what kind of trajectory we expect for FY '26? And then once the 1 lakh ton Kalinganagar smelter starts, so what will be the ramp-up tonne for that? So for fiscal '27, how much we can expect from that new facility?

- Saunak Gupta:** So I'll just pass this out. Suresh, you were there?
- Sureshbabu C:** Yes, yes, I'm added just. See, in the first year, we are expected to start the production from the month of -- mid of the '26-'27. That is around July, we are going to produce. In June, we are going to commission. So it will -- ramp-up will happen. So in the financial year, it will be around 50,000 to 60,000 production will be there.
- Aditya Welekar:** Okay. Understood. And as you said, there is 12 months of inventory already of chrome ore now on the line there. So for '26 -- fiscal '26, the new ore raising will not be materially higher, right, means given the inventory situation we have. Is that understanding right?
- Sureshbabu C:** Yes, yes. Connected with the new facilities, there will not be a problem.
- Aditya Welekar:** Understood. And any capex guidance for FY '26 and '27?
- Saunak Gupta:** So on the capex part, as we have mentioned earlier, that almost INR840 crores of our investment is in Kalinganagar project, which is scheduled -- the first furnace is scheduled to get completed in June '26 and the second one in September '26. Besides that, we are also under project completion of 120 KLD ethanol project, which is about INR150 crores, which is on course.
- And on the underground mines, which is overall in a 5-year tenure, it's about INR1,000 crores, we'll be spending, but a part of it will also come in FY '26. So overall, we expect in FY '26 around, INR800 crores to INR900 crores will be the outlay for all these three projects.
- Aditya Welekar:** Understood. I have few more questions. I will join back the queue.
- Moderator:** Thank you. The next question is from the line of Supriya Shah from Kotak Associate. Please go ahead.
- Supriya Shah:** There is a decrease in EBITDA by 44% when revenue has only decreased by 12% and cost has also decreased by INR1,000 per ton. So reason for the decrease in EBITDA?
- Saunak Gupta:** Not understood. This EBITDA 44% for which period you are comparing?
- Supriya Shah:** From Q3 '25?
- Saunak Gupta:** Q3, our EBITDA cost was about INR77,800 and now it is about INR76,980, almost -- it's just about INR800-odd per metric ton reduction. So not significant. But for that, primarily the reduction is on the chrome ore raising cost to some extent and to some extent on your coke cost.
- Supriya Shah:** And what the Q4 specifics in terms of ore, coke and power?
- Saunak Gupta:** So our power cost is INR4.09 variable cost. But on the power, I will ask Binoy to just add his inputs on this.
- Binoy Agarwalla:** Yes. Saunak, you are correct, in Q4 FY '25, the variable cost of power is INR4.09. And compared to Q4 FY '24, which is INR0.28 less than the -- in this quarter, Q4 FY '25. It's mainly due to coal only. Coal prices come down due to transportation of coal by rail.

**Supriya Shah:** And for ore and coke?

**Saunak Gupta:** So on the chrome ore part, Sandeep, can you put some insights on that or your views on this?

**Sandeep B Narade:** Chrome ore cost in Q4 was a bit lower due to higher production in Q4. We have done more production than our budget.

**Saunak Gupta:** Yes. So chrome ore from Q3, there was a reduction in this because of the higher production and certain cost optimization initiatives that we have taken. So for that, overall, the cost has gone down. And it was per ton of ferrochrome, it was about -- on a net basis, it was INR 17,400.

**Supriya Shah:** And what was the specific ore in terms of HCFC?

**Saunak Gupta:** Specific ore you are talking of?

**Sureshbabu C:** Specific ore you are talking? Specific ore is around 2.35 tons levels. It varies based upon the grade what we are making. It is 2.32 tons.

**Supriya Shah:** And what was the coke per ton price in coke -- specific coke per ton of HCFC?

**Sureshbabu C:** The coke price in this quarter is around INR31,000. Specific, you can consider it is 560 kg.

**Supriya Shah:** Thank you.

**Moderator:** Thank you. The next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

**Manan Vandur:** Sir, there was a little bit of confusion. So I would just like to reclarify the questions asked by the previous participant. So the cost of chrome ore per ton, I want to know, not per ton of ferrochrome, but 1 ton of chrome ore is how much cost?

**Saunak Gupta:** It's about quarter 4 was INR7,500, primarily what Sandeep has given the reasons because of that, it is INR7,500.

**Manan Vandur:** Okay. Okay. And we normally consume 2.5 tons, right?

**Saunak Gupta:** Yes. As Suresh saying 2.35 tons.

**Sureshbabu C:** Yes. 2.35 tons we have consumed in this quarter.

**Manan Vandur:** Okay. It's 2.35 tons. But is that also generally 2.35 tons or more than that?

**Sureshbabu C:** No, it varies depending upon the grade. So you can consider from 2.35 tons to 2.5 tons.

**Manan Vandur:** Okay. Understood. And sir, the next question would be on the average ferrochrome price for -- like we have long-term contracts and we have spot contracts also, right? So for the long-term contracts, could you please give us what is your ferrochrome price for those long-term contracts, please?



**Sureshababu C:** Venkatesh?

**M Venkatesh:** Yes, we don't very specifically have anything regarding long-term contracts because most of the contracts are long-term. But what I can say is, the average price realization for prime would be around INR93,500.

**Manan Vandur:** Okay. Because last quarter, when I asked, it was around INR89,000 to INR90,000 per ton, which was -- which is like almost 60% of your total sales is long-term contracts. Hence, I just asked. And also this changes every month or 3-month basis?

**Saunak Gupta:** I just wanted to add that you are saying INR89,000 to INR90,000 is the net realization, the total, whatever is the ferrochrome we sell, which this quarter is INR87,000, INR87,021. So there is a drop in the average realization.

**Manan Vandur:** Yes, correct. I understand. But the long-term prices, which you have with POSCO and other people you have with, those prices would be INR93,000 you said?

**Saunak Gupta:** See, these are basically a bit of strategic pricing. So what Venkatesh has said that INR93,000 is the overall long-term contract average, that's the prime cost we have. And on the totality basis, our average in this quarter, has come to INR87,021.

**Manan Vandur:** Understood. Just one second, sir. And sir, current ferrochrome prices because the average would be what? Because anyway, the quarter has almost ended. So what would be that?

**Saunak Gupta:** See, on that net realization value that I said and with the average forex, whatever is the dollar cost, it is about 76 cents. But we -- as I mentioned that we are seeing from April onwards some uptick in the price. But for the quarter, February, March was very low. So almost China was hovering around 75 cents. So, our average is around 76 cents on a net basis.

**Manan Vandur:** Correct. Understood, sir. I just want to know for this quarter, Q1 because 2 months have ended April has passed and even May has gone. So what would be the price as of this quarter I want to know?

**Saunak Gupta:** Normally, for forward-looking pricing, usually as you know that there is a certain restriction on the SEBI guidelines. So we have to stick to that. But the only thing I can say that we are seeing certain upsides in the overall market on the pricing side. And Venkatesh, what would be that percentage of upside around?

**M Venkatesh:** What we are seeing the prices currently is around INR1 lakh per ton.

**Manan Vandur:** On the prime basis?

**M Venkatesh:** Yes. On the total price, this is -- I'm not talking of in terms of the realization. I mean, the total price, what we're seeing today is around INR1 lakh per ton.

**Manan Vandur:** Okay, understood. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Dev Jani from Tata. Please go ahead.

**Dev Jani:** Hi, everyone. The status of the Sukinda underground plant?

**Saunak Gupta:** Yes. So, Sandeep, you can give your insight on that.

**Sandeep B Narade:** Can you please repeat once?

**Saunak Gupta:** So she is asking for the Sukinda underground mines update.

**Sandeep B Narade:** Yes. So for Sukinda mines expansion plan, we have already given the major contracts. And all the works are in progress for the decline for the ventilation shafts and for the main shaft and so on. So that is in line as per our plan.

**Dev Jani:** Okay. And my second question is, what is the ratio of HCFC?

**Saunak Gupta:** Pardon, we could not hear you. What is the ratio of?

**Dev Jani:** Sir, I just wanted to ask what type of selective grades do we use for production of HCFC?

**Sureshababu C:** See, it is all based upon the market requirements. So based on the market requirement, the grade changes.

**Dev Jani:** So is this indigenous or do we export?

**Sureshababu C:** No, no, it is indigenous from our mines only.

**Dev Jani:** Okay. Can I have a little bit of knowledge on what was the stripping ratio for quarter 4?

**Saunak Gupta:** We cannot hear you once more, can you please repeat?

**Dev Jani:** What was the stripping ratio in quarter 4 in terms of mining?

**Saunak Gupta:** Sandeep, you can add on this.

**Sandeep B Narade:** So for open cast, the stripping ratio is about 1:3.5.

**Dev Jani:** What was the Cr:Fe ratio, which was last told in the communication was specifically...

**Sandeep B Narade:** No. You are asking the stripping ratio that I have told. Now you're talking about CR:FE ratio that is different.

**Dev Jani:** That is 3.2 , right, currently?

**Sandeep B Narade:** Sureshababu can tell about that, Cr:Fe.

**Sureshababu C:** Cr:Fe ratio also varies. It moves from 2.5 to 3.5.

- Dev Jani:** Okay. And so this all totally added up to this time also the peripheral rate went above 60 or it was the realization was low in the market below?
- Sureshababu C:** No. We make 60 only. Our grade will be 60 plus. So based on 60, the blending we will do accordingly.
- Dev Jani:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Madhur Chaturvedi from MAIQ Capital. Please go ahead.
- Madhur Chaturvedi:** Congratulations on putting up a formidable result even in a challenging macro environment. And congratulations on the ceremony for the installation of the Kalinganagar plant also yesterday. Sir, just wanted to get some more -- just to clarify, what is the capex numbers because in previous calls, it was INR650 crores for the 1 lakh ferrochrome expansion. Now in this press release, it was INR900 crores.
- So just wanted to get a clarity on -- if we can just do in terms of ferrochrome capacity, what would be the capex for the mining capacity, what would be the capex? And just sort of the time line of when that would be incurred. If we could just get that more granular, that would be very helpful?
- Saunak Gupta:** Yes, first of all, thank you for your good words on the performance of the company. And yes, yesterday, we had the opening ceremony of our Kalinganagar project. So on the capex side, on the Kalinganagar project, the total amount that I said was at INR840 crores.
- And if you add up the capitalizable expenses that will be spent at the time of trial run, it will go up to somewhere around INR900 crores. So that is the overall capex, which obviously will be spent out by next year, September, October by the time when we go for the commissioning of both the furnaces. So June will be the first one and September '26 will be the second one.
- Madhur Chaturvedi:** And this includes working capital or this is purely capex?
- Saunak Gupta:** This is purely capex. Working capital will be separate. The capex outlay on the mines outlay, we have a plan approximately INR1,000 crores for increasing the capacity, but that will be spent out in about 5 to 6 years from now. So it will be spent -- majorly in the initial 3 years. The major amount will be spent and then it will taper down by FY '31 end by the time we reach the capacity of 1.2 million tons of raising.
- Madhur Chaturvedi:** Got it. Perfect. Sir, and just in terms of the furnaces now that you mentioned it, so what -- who is our technology partner, what technology are we going with? Are we going with another technology like Outokumpu or what is the technology we are targeting?
- And how would that efficiency of power and chrome ore be in the new plant versus the old plant? Will we still expect the power to be around 4,000 units per ton and the conversion to be

around 2.35 or are we going with a newer technology where we can expect those numbers to be more efficient?

**Saunak Gupta:** So I'll request Sureshababu to give more input.

**Sureshababu C:** Yes. This is a closed furnace. Both furnace will be closed furnace. So you know that smelting is an energy intensive. And the technology -- yes, so the off-gases we are using for the power plant. So the specific power will be of the same range because of our material what we are using now.

**Madhur Chaturvedi:** Got it. Perfect, sir. Perfect. And sir, just one last question from my end. This is more about the mining. We are -- sir, with the -- again, mining, are we managing to extract more than our 6 lakh metric ton capacity? Is that how we're able to sort of increase our chrome ore inventory in anticipation of the power coming online just from an operational point of view?

Just trying to understand that if we -- given the chrome conversion, most of our mining capacity goes into our production. Just what you think will be the maximum inventory we'll be able to store in anticipation of the commissioning Q2 next year?

**Sandeep B Narade:** Okay. So inventory will be just like what is right now, we are having inventory -- you're talking for the Q2 of this year?

**Madhur Chaturvedi:** So just that we mentioned that we are sort of stockpiling inventory in anticipation of the commissioning of the new production line. Just how much we'll be able to do that given that most of our chrome does go into our ferrochrome production? So how much we'll be able to extract as a sort of buffer inventory so that we can start production at Kalinganagar once that line is ready?

**Sandeep B Narade:** So right now, just I said before, we are having the inventory of more than 4 months at our both plant locations and about 2.5 months at mines. So that is...

**Madhur Chaturvedi:** And that is the number we'll be comfortable with, sir, going ahead into next year or we can ramp that up or...

**Sandeep B Narade:** Yes. Obviously, it will be quite comfortable right now also it is. And we are increasing our production. So just like in the last FY, we have done 702,000. So this lakh, we have the plan of 8.25 lakh. So we'll be keep on increasing the ore production from the mines.

**Madhur Chaturvedi:** Got it. Perfect. Amazing sir. I will rejoin the queue and thank you for your time and congratulations.

**Moderator:** Thank you. The next question is from the line of Pranav Jain from Ageless Capital Finance. Please go ahead.

**Pranav Jain:** Congratulations on the opening ceremony for the new plant. I just had a few questions. I just want to understand the power requirement for the new plants and the details surrounding it. How much are we going to get from where are we going to get? Could you dwell on it a little more?

- Saunak Gupta:** So I will request our Chief Operating Officer, Mr. Bijayananda Mohapatra to add on that.
- Bijayananda Mohapatra:** So we'll go for this Kalinganagar project with the help of renewable energy, hybrid energy that we have tied with JSW with 70 megawatt and with Ampin with 40 megawatt. So this will be help through the new facility and both are going to be commissioned in June '26. So it is...
- Pranav Jain:** I was saying the 70 megawatt and 40 megawatt are these the total capacity? Or is this what we'll be requiring?
- Bijayananda Mohapatra:** No. Our requirement for Kalinganagar, it is approximately 60 megawatt, okay? But it is a hybrid, it will not give every time that 70 megawatt. So the power will be utilized in our existing operation area, Choudwar and Therubali. So that will also get that obligation, renewable energy obligation. So that will help, and it will also help our CBAM factor.
- Pranav Jain:** Got it, sir. And sir, next -- so sir, as you can see, ferrochrome prices, they bottomed out in Jan and now they are recovering as said by the management as well. When can we expect the full benefit of these prices in our financials? And also, can you help me understand the lag in price realization?
- Saunak Gupta:** So on this price realization part, I would say that lag period is about 1.5 to 2 months for us to get the benefit out of it. But on the future outlook, I will just request Venkatesh just to give an overall viewpoint on the ferrochrome market price.
- M Venkatesh:** Yes. So the challenges continue to remain. There has been an improvement in prices, but challenges continue to remain. The challenges like all of us know in terms of tariffs and ongoing conflicts. But there are small signs of the market improving. When we talk of China, they have taken -- they have introduced small stimulus measures.
- They have reduced the reserve requirement ratio. The banks have reduced the reserve requirement ratio by 50 basis points. So they have let out -- banks can lend up to RMB 1 trillion more. So that's like a small stimulus measure there. They've also reduced the lending rates by 10 basis points. So these all will help in the domestic demand or to shore up that domestic demand.
- What we have seen with regards to tariffs also, President Trump has kind of toned down a bit. So now China and U.S. have been talking and there has been a tariff reduction and the talks are continuing. We are also seeing now a direct conversation between Russia and Ukraine. So, after the war, there is a lot of rebuild which has to happen. So going ahead, these are small signs of positivity. And if any of that clicks, then I'm sure the market is going to rebound.
- Pranav Jain:** Okay. Got it, sir. Just a last question on the technical side. Sir, how much coal do we require per ton of ferrochrome and at what cost do we acquire it?
- Saunak Gupta:** So, Binoy, will you be taking that coal part?
- Binoy Agarwalla:** No, met coke.

- Sureshbabu C:** Yes. So for making a ferrochrome, it is around 560 kg coke is required and the cost is around INR31,000.
- Pranav Jain:** Okay, sir. Thanks a lot and all the best.
- Moderator:** Thank you. The next question is from the line of Rajesh Agarwal from MoneyOre. Please go ahead.
- Rajesh Agarwal:** Sir, my question is, is there any further possibility of cost improving overall production cost?
- Saunak Gupta:** As I mentioned in my initial note that we are focused on improving operational efficiencies, as well as to get out more cost benefits in the future. So that's a continuous process. But it is, again, to some extent, also dependent upon how the input cost market moves around. For us, the key one would be the met coke, as well as coal and the power cost.
- There is a dependency on the market. But operational efficiencies, is a continuous process. We keep on having internal projects to maximize on the cost of optimizing?
- Rajesh Agarwal:** What is the possibility, INR1,000 per ton, INR2,000 per ton over 2, 3 years?
- Saunak Gupta:** No, it is very difficult to predict that out currently because it's a continuous process. But as I said, if you see that this quarter 4, we are at INR76,980 of EBITDA cost vis-a-vis INR82,836 of last year. So it's a mixture of both drop in the input cost, market price, as well as our cost efficiencies initiatives that we have taken.
- Rajesh Agarwal:** Sir, my second question is the stainless steel market is very good in India. And simultaneously, Jindal Stainless was saying after the tariff, China has become a little costlier and India, the export also will increase. So why -- if the chrome is the main -- ferrochrome is the major raw material for stainless steel, why the realization in the price has dropped and why there's not possibility of improvement if the stainless steel industry grows up by 10%?
- Saunak Gupta:** So, Venkatesh, you will take the call, then I will just add on to that.
- M Venkatesh:** Okay. Stainless steel market is growing in India. There are two parts, I'll answer it. While the market is growing, there is a weakness also in the demand of Indian stainless steel. Yes, Jindal is increasing, but there are other producers who are really struggling. And when you -- and that has to move or mostly moves in line of what happens internationally.
- It's not that India can do too well and others don't do well. It's almost on similar lines. So stainless steel market in India, yes, the growth is happening, but demand continues to be weak.
- Rajesh Agarwal:** And sir, overall, the market improves stainless steel, including India and exports, there's a possibility of further improvement in our realization of ferrochrome? I'm talking about structurally. I'm not talking about quarter-to-quarter, I'm talking about structurally?
- M Venkatesh:** Yes. So we are looking at two things here. Number one, when we look at the prices, they are almost -- obviously, they can't be the same in all the markets, there would be a difference, but

they are at similar levels in different markets. The second thing is, going ahead, what we see, if you are talking of the structural.

But going ahead, what we see, we would see a big jump happening in stainless steel production in India. So going ahead, for us also, the domestic market will become a focus.

**Rajesh Agarwal:** Okay. So realization is better in domestic or export?

**M Venkatesh:** Right now, both the markets are similar. Like I said, INR1 lakh a ton, it's similar in both the markets.

**Rajesh Agarwal:** Both the markets. Okay. Then if we -- will we enter into a long-term contract or no?

**Moderator:** Sir I am sorry to interrupt I just request you to...

**Rajesh Agarwal:** Last question, ma'am. Just last question. Sir, if we get a better rate in the spot prices, do we -- will still sell in long-term contracts?

**M Venkatesh:** See, long-term contracts has the own benefits. When the word long-term means you don't look at one transaction or a month. You look at a horizon. So -- and your material is assured to be sold. In a spot, you never know what happens.

**Rajesh Agarwal:** Okay. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Vineet Thakur from Plus 9 One. Please go ahead.

**Vineet Thakur:** Congratulations on the new plant opening -- the plant's work. I just had a question with the new -- the National Steel Policy of 300 million ton of FY 2030, what would be the ferrochrome demand going ahead? Would it be increasing or will it be neutral to it?

**Saunak Gupta:** Suresh, if you can...

**Sureshababu C:** Venkatesh has something.

**M Venkatesh:** Yes. So if I can get your question right, that was pertaining to steel, which is carbon steel, not stainless steel. Our ferrochrome goes into the making of stainless steel. So the policy, what you said was of 300 million tons is of crude steel -- carbon steel. Stainless steel is also going to grow. Like I said, I was speaking a little bit earlier, stainless steel is going to grow. And we are there at the right time with our expansions happening. So, obviously, we would be catering more to the domestic market, like I said earlier.

**Vineet Thakur:** And sir, could you give a guidance on what would be the production numbers for next year?

**Saunak Gupta:** So usually, we do not give more than two quarters, whatever is the guidance. Anyway, on the H1, Suresh, you can give some guidance on what we expect on the production line.

**Sureshbabu C:** The production is similar to what we have -- for the next half year, it will be around 130,000, two quarters.

**Vineet Thakur:** Okay, sir. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Aashav Patel from Molecule Ventures. Please go ahead.

**Aashav Patel:** Sir, my question is, I have been following the company for past many years. Earlier, we were guiding for a furnace capex of only INR500 crores. But now we are guiding for INR900 crores. So that is effectively 80% higher furnace capex. So what has changed?

**Saunak Gupta:** So there are two furnaces in our Kalinganagar project. So whatever we were seeing INR900 crores is of the two furnaces overall. But yes, with time, the cost escalations will happen, and there will be a situation where we have to manage based on the -- whatever is the cost of it. But it is the 2 furnace, not a single furnace that...

**Aashav Patel:** So two furnace, what capacity we are considering two furnace?

**Saunak Gupta:** It is -- what we said is that 96,000 metric ton annual capacity, it will add up.

**Aashav Patel:** So capacity is earlier also, we were expecting only 1 lakh capacity. So 80% cost inflation, how can it happen in 1 year?

**Saunak Gupta:** No, actually, as far as what we have mentioned is that, the cost in last year also, was around INR700-plus crores what we have estimated. Now the cost has increased as we are to put up the best-in-class equipments over there. So keeping that into the mind, whatever is the other capitalizable cost, it is INR900 crores. In the base level, it is around INR840 crores.

**Aashav Patel:** Okay. I'm still not satisfied with the answer. But moving on, the second question is, so recently, there has been an ADD investigation on the met coke, the specific grade which we rely on in terms of imports for fulfilling our requirement. So what is your view on that antidumping duty investigation? And how does it impact us?

**Saunak Gupta:** Suresh, you can add on that?

**Sureshbabu C:** Yes. See, for antidumping, what the ferroalloy is using, that is excluded. So we have actually required the ultra-low phos of 0.030, okay? So whatever the appeal went to the DGTR, this ultra-low phos is excluded from the antidumping norms.

**Aashav Patel:** Okay. So we don't see ourselves being impacted from the ADD even if it is imposed?

**Sureshbabu C:** Yes.

**Aashav Patel:** Got it. Okay. That's all from me.



- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, firstly, if I could just sum it up, it was the lower realization for ferrochrome per ton to INR84,000 that led to this halving of our profit on a Q-on-Q basis. And now the prices trend are again moving above INR1 lakh per ton. This is what the sum and substance of what the price action and the real reason for the lowering of profit Q-on-Q basis if we eliminate that part?
- Saunak Gupta:** Yes. So, Saket ji, thank you for your good words on the business performance. On the realization part, yes, the net realization is about INR87,000 in quarter 4. So there is a reduction in that compared to the previous years. But what -- INR1 lakh per ton, which was mentioned by Venkatesh earlier, was on the prime basis.
- So INR87,000 is our total average cost that we give on net realization basis. So on that, we are seeing improvements, but INR1 lakh versus INR87,000 is not comparable. It will be much lower than that. So there will be somewhere -- if you go by the comparable level, it will be somewhere around INR92,000 to INR93,000.
- Saket Kapoor:** Okay. And sir, what was the number for the December quarter, the average realization per ton?
- Saunak Gupta:** So for December quarter, it was INR96,943 net realization value. And the quarter 4 of last year was INR101,771.
- Saket Kapoor:** Okay. No, sir, INR96,940 was the average realization per ton for the December quarter?
- Saunak Gupta:** Net realization.
- Saket Kapoor:** Net realization. This has gone down to INR87,000 for March quarter?
- Saunak Gupta:** Yes. And that's why the margins have gone down. But to a major extent, we -- through operating efficiency and cost optimization, we have actually able to manage or get a better profitability.
- Saket Kapoor:** And other than that, sir, we are -- we will be spending around INR800 crores for this financial year, that is FY '25-'26. This is what the capex guidance is?
- Saunak Gupta:** Yes. For the three projects, approximately our spending would be in the range of INR800 crores for this financial year, approximately.
- Saket Kapoor:** Okay. And how much have we spent, sir, for the first 45 days? Are we drawn or this will be H2? The money will be drawn?
- Saunak Gupta:** Saket ji, so on the capex, we are managing through our own internal accruals. So it has started, approximately, we would have spent approximately INR100-odd crores. But a major spend will come in the H2 of this current financial year.
- Saket Kapoor:** Okay. And what is our closing cash balance as on 31st March?
- Saunak Gupta:** You are talking of the total, including the...

- Saket Kapoor:** Net cash. No, you give me the net cash number after the short-term borrowings?
- Saunak Gupta:** If you see our overall cash position was about INR906 crores. This is excluding any security deposit that we have kept. So INR906 crores we are having. And our working capital borrowings was INR372 crores. So it is about INR535 crores approximately was the net cash balance.
- Saket Kapoor:** Okay. And these are all invested into the deposit and the short-term instruments. I will join the queue. Thank you, sir. I will join the queue. Thank you and all the best, sir.
- Moderator:** Thank you. The next question is from the line of Joe Shah from 7seas. Please go ahead.
- Joe Shah:** Yes. First of all, congratulations to all of you for the second renewable energy agreement also of 40 megawatts. First was 70 megawatts and now second is 40 megawatts, 70 megawatts plus 40 megawatts, 110 megawatts renewable energy. Now, first question is about this chrome ore cost, which somebody said which is INR7,500 per ton of chrome ore. So is it inclusive of royalty and taxes or without royalty and taxes?
- Saunak Gupta:** So INR7,500 ex mine, so basically without the royalty.
- Joe Shah:** Without royalty. Okay. Now after this Kalinganagar project, what is our smelting plan, expansion plan? Because after 5 years, we are looking for the ferrochrome production of about 5 lakh tons, right? So what is the next smelter expansion plan?
- Saunak Gupta:** Yes. So in the Phase 1, as we have mentioned earlier, we are adding approximately 1 lakh metric ton. And once that is commissioned next year by September '26, we will be also having the Phase 2 plan of expansion. Currently, it is Phase 1, having 1 lakh metric ton. We are open to expansion of capacity further.
- Joe Shah:** Okay. Now, looking at this renewable energy capacity of 110 megawatts, which we have contracted. Now I understand from our last con call also that our requirement in power is 25% of the renewable -- in total energy consumption, 25% would be the renewable energy. So we have some 200 megawatts of thermal capacity.
- So we'll be able -- renewable energy will be able to give us more room to use our captive power, thermal power, right? So still when we look at the 110 megawatts of renewable energy, it means we can consume -- we can have capacity -- total consumption of about 440 megawatts. So it is going on the higher side. Why is it going on the higher side?
- Saunak Gupta:** Requesting Mr. Mohapatra to respond to that.
- Bijayananda Mohapatra:** Actually, we have taken 110 megawatts with two, three aspects. One is the current requirement is another 60 megawatt for this Kalinganagar project Phase 1. Phase 2 in this same land, we have a plan for putting up another 33 MVA. So that will require another 30 megawatt. And to say now the CBAM, so we'll make some renewable energy in our existing operational area like Choudwar and Therubali.

So what to say that with June '26, so we'll get around 25% subsidy in transmission -- interstate transmission charges. So that will also give a long-term profit to us. So keeping all these things in mind, we have taken this.

**Joe Shah:** Okay. Thank you. That's all. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Aman Madrecha from Augmenta Research. Please go ahead. As there is no response from the participant, we'll move to the next. The next question is from the line of Anshika from Jain Associate. Please go ahead.

**Anshika:** First of all congratulations for this amazing result. I wanted to ask what would be the potential Q2 numbers in terms of production, sales and EBITDA cost?

**Saunak Gupta:** See, the forward-looking thing, as you know, there are certain restrictions on SEBI guidelines. We won't be able to give those exact values. But one thing we can say as already Sureshbabu has mentioned that the production will be in the range of around 65,000 tonnes. And you know that whatever is our production based on it, we also sell it off.

Price realization will depend how the market behaves, but we have said we are seeing some sort of upside from the low price what we saw in quarter 4. That's the maximum what we can say as of now.

**Anshika:** Okay. Secondly, can I have a little knowledge about what is the current sales mix and how we are seeing it for the next quarter as well in terms of LTC and spot and as well as domestic and export?

**Saunak Gupta:** Yes, Suresh, you can...

**Sureshbabu C:** Venkatesh, can you deal with it?

**M Venkatesh:** Yes. Could you just repeat your question, ma'am?

**Sureshbabu C:** She's asking about mix.

**Anshika:** Sales mix in terms of spot, LTCs and also in terms of domestic and export. In terms of percentage, it will be okay.

**M Venkatesh:** Yes. So when we look at export to domestic, it will be in the similar range like what we have been doing roughly about 90-10, 90% in export, 10% in domestic. That would be somewhat those numbers, 90% to 95% in exports and like 5% to 10% in domestic. LTC to spot, LTC would constitute about 80% of our sales.

**Anshika:** And most of it is in with POSCO or some other customers as well, if any big customers, they are also having LTC apart from POSCO?

**M Venkatesh:** Yes, we are having LTC with many customers apart from POSCO. Yes, they are big customers. That's all I can say.

**Moderator:** Yes, ma'am. Does that answered your question?

**Anshika:** Yes. Just a last question, if I can ask a follow-up. What is currently we are importing Colombian coke or it was different in the mix of coke from the international market?

**Moderator:** Can you just repeat your question again?

**Anshika:** Existing coke is from still Colombian market or are we trying to explore some different countries as well?

**Sureshbabu C:** Most of the coke is from Colombia only. And some part we are also exporting from other sources.

**Anshika:** Sir, any ratio to that or -- and we mostly use ULP coke or another...

**Sureshbabu C:** We mostly use ULP coke. The ratios are dependent upon the market product requirements.

**Anshika:** And as I can recall, the total cash generation for the whole year has been close to INR100 crores?

**Saunak Gupta:** Cash generation in the sense?

**Anshika:** Any of the -- in terms of the operational business performance, what was the IMFA's total cash generation in terms of what was the outflows for operation and net of the inflows?

**Saunak Gupta:** So as we said that our PAT is INR378 crores. And on the operating and as well as the investing activities if we add up, the total free cash flow generated was INR430 crores. So that is the overall -- this is before payout of the dividend.

**Anshika:** Okay. Thank you so much, sir.

**Moderator:** Thank you. The next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

**Manan Vandur:** Thank you for the follow up. Sir, my question was that I couldn't understand what is prime rate and that -- could you explain what is that prime rate, what you said around INR93,000 something?

**Saunak Gupta:** Yes. So the prime rate is basically the gross rate. And then on that, whatever are the sales realizations, those things on the selling cost and selling expenses, transportation expenses, if you reduce that out, it comes to about INR87,000. So we gave you the net sales realization rate, INR87,000.

**Manan Vandur:** So what is the percentage of these costs usually? So like could you give an example, like, let's say, INR1 lakh is the prime rate, gross rate. Then what would be the rest? How would you do it?

**Saunak Gupta:** It will be varying from around -- it also depends on the ocean freight cost and all other realisation. So it varies around INR6,000, between INR5,500 to INR6,500.

**Manan Vandur:** Okay. So that means the prime rate would be more and then the net rate would be less that way?

**Saunak Gupta:** Yes.

**Manan Vandur:** Okay. INR5,000 gap. And sir, so what you said, the long-term contracts of INR93,000, which is there, so that is prime, those long-term contracts?

**Saunak Gupta:** Yes, that's the average prime cost.

**Manan Vandur:** Okay. That's the average prime cost. Okay. Understood. And sir, for example, let's say, I just wanted an example. So let's say, today, ferrochrome is INR1 lakh as on today's date. So in our realization, how much time will it take for that INR1 lakh to come? How many months, for example?

**Saunak Gupta:** So as I said, it takes about approximately 1.5 months lag period is there, 1.5 months to 2 months to get that full value of it.

**Manan Vandur:** Okay, understood. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Akhilesh B an Individual Investor. Please go ahead.

**Akhilesh B:** Thanks for the opportunity. Am I audible?

**Saunak Gupta:** Yes.

**Akhilesh B:** I had a few questions. So production next year can be 3.1 lakh to 3.2 lakh tons of ferrochrome. And in FY '28, we can do 3.6 lakh completely?

**Sureshbabu C:** Yes. You are right.

**Akhilesh B:** Okay. And have we entered into discussions for long-term contract of this expanded capacity or it's already tied up? We can have no problem in placing this quantity in the market?

**Sureshbabu C:** Venkatesh, can you?

**M Venkatesh:** I think you mentioned next year, I think so you were mentioning the production will go up. That's FY '26, you are talking of or...

**Akhilesh B:** No, '27. '27 3.1 lakh to 3.2 lakh tons and '28 to 3.6 lakh tons, whether those can be met by us?

**M Venkatesh:** I will answer. So we -- like I was mentioning a little while earlier, the domestic market is growing. So there is a huge potential in the domestic market. Added to that, our existing customers -- some of them are also expanding. Their expansions are also coming up. And some of them are -- they just have -- they take a very small quantity from us as compared to the total requirement.

So there is a scope there also. So we have the option of expanding with existing customers. But primarily, at this stage, we are trying to increase our presence in the domestic market.

**Akhilesh B:** But is the realization better domestically compared to these long-term contracts or why are we going to change the mix between long-term and spot in that way?

**M Venkatesh:** Yes. See, like I was again answering that, you can't have a big gap between all these prices. There may be a little lag or a lead, but the prices overall over a period of time would be at similar levels, whether it's a long-term or when you look at spot. In long-term, you have that certainty.

In spot, you don't have the certainty. So I don't see price is going to play a role for us to decide. We would rather look at the requirement. And since the domestic requirement will go up, it would be better for us to cater in the domestic market. And if need be, like I said, we have an option to also increase our exports.

**Akhilesh B:** And sir, second question is on power cost. So this new facility, we have tied up power, will the effective cost be lesser, higher or the same as our current power cost?

**Saunak Gupta:** I think Binoy can just add to that.

**Binoy Agarwalla:** For Kalinganagar, actually, we have tied up with hybrid renewable energy. And that power cost will be at par with our present generation cost. It won't be that high.

**Akhilesh B:** Even after accounting for any subsidies, etc. it's not cheaper, it's at par.

**Binoy Agarwalla:** It will be at par. It's not that cheap because again, there will be transmission charges, enhancement or ED, something like that is there at the landed cost. So it will be at par with power generation cost at present.

**Akhilesh B:** And sir, one last question on this figure of INR800 crores, INR900 crores on the capex. So if you could spend some more time commenting on how the figure increased, I think it will create a lot of concerns because earlier figure was around INR600 crores, INR500 crores. So if you could spend some more time explaining how it has increased as well?

**Saunak Gupta:** So, Suresh, you want to add, then I will just further add on that.

**Sureshbabu C:** No, no, you can talk about that.

**Saunak Gupta:** So what I was just saying earlier, as I said that we are actually putting in the best-in-class plant over there. We are looking into all the opportunities. It has increased because last year, initially, we had said it will be around INR700 crores from there. It has increased on the base level, to INR 840 crores.

As well as there is an escalation of the various costs, which has happened because this INR700 crores we had mentioned somewhere around 2.5 to 3 years back. So that has gradually, had escalation of cost, plus whatever is the quality of the equipments and all what we have done, that has resulted into increasing to INR840 crores.

On that, based on whatever the current accounting standard, we can also capitalize whatever the cost, which we will be spending for commissioning and trial run. It adds up to about INR60-odd crores. In all total, the full capitalizable value we are taking at INR900 crores.

**Akhilesh B:** And this is the final value now. There are no escalations in this number?

**Saunak Gupta:** So, this is the final number on this.

**Akhilesh B:** And this best-in-class machinery, so will it -- will this plant have better efficiency than our existing plant? Will we have more -- will the ratios improve in this plant compared to the prior one?

**Saunak Gupta:** So basically, the visibility of the operations will improve. It is more of the digitization we are doing. So those will happen to a major extent. And efficiency, we expect there should be a better improvement from the current levels. We are hopeful on that.

**Akhilesh B:** Okay. Thank you, sir. All the best.

**Moderator:** Thank you. The next question is from the line of Joe Shah from 7seas. Please go ahead.

**Joe Shah:** Gentlemen, I understand that for Q4, average realization was INR87,000 about per metric ton of ferrochrome. Now for Q1, we are expecting some INR92,000 to INR93,000 per metric ton realization -- average realization. Can you confirm my understanding?

**Saunak Gupta:** So Mr. Shah, we are seeing some upside. But as you know, there are certain lag period for getting this value in our books. So, obviously, we are having that our -- overall, we are expecting that Q1, our realization will improve. But exactly quantifying at this stage is slightly difficult.

As you know, the market still is uncertain. So we can't predict what it will be at the end of 30th June, considering the overall uncertainty in the market. But yes, our overall -- currently, at the current date, we have a feeling that, yes, it should be better than what we had experienced in quarter 4.

**Joe Shah:** Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Manan Vandur from Wallfort PMS. Please go ahead.

**Manan Vandur:** Yes. Thank you so much for giving another opportunity. Sir, we have 110 megawatt renewable energy contract. So would you please give us the details of that? So like per unit, how much price have we contracted it and for how many years is the contract?

**Binoy Agarwalla:** Actually, 110 megawatts, we have signed 70 megawatt of contracted capacity with hybrid mechanism with JSW. Fine? And we have signed binding terms with Ampin 40 megawatt. Club up together is 110 megawatts. And both the agreement will be for 25 years, and they will be supplying power by June '26.

**Manan Vandur:** Okay. And what would be like the agreement price of that, 1 unit price?

**Binoy Agarwalla:** One unit price of JSW is tariff at injection point is INR3.84 and with Ampin is INR3.75.

**Manan Vandur:** Okay. So that means this is lesser than our current INR4.09. So this will be helpful for us. Is that understanding correct?

**Binoy Agarwalla:** It's a generation injection point and your landed cost will be a little bit higher, right? But our variable cost is INR4.09. It will be at par with that only.

**Saunak Gupta:** Okay. Understood. And these are 25 years contract, PPA contract.

**Binoy Agarwalla:** That's we already told, 25 years.

**Manan Vandur:** Correct. Okay. And sir, our long-term contracts, they are changed -- their contract prices are changed every 3 months or 1 month or something like that is there, like renewing of prices is something like that happening?

**Binoy Agarwalla:** For this contract of 110 renewal energy?

**Manan Vandur:** No, sorry, sir, sorry. About...

**Saunak Gupta:** Venkatesh, you may add or respond to the question.

**M Venkatesh:** Yes. There are contracts which have a quarterly price. And there are also long-term contracts, which is based -- which is a monthly price based on certain indexes. So both the contracts are there in place.

**Manan Vandur:** Okay, quarterly and monthly. So -- and how is this determined? So these prices, how would they be determined?

**M Venkatesh:** This is linked. If you look at the quarterly contracts, they are linked to what we call it as EBM. That's the European benchmark price now declared by Samancor. So because you can't have a long-term contract without any linkage to an index. You just can't have a quantity without a price. It has to be linked. Similarly, we have certain monthly contracts, which is linked to certain indexes in China.

**Manan Vandur:** So when you said quarterly sir, BBM and the monthly one is which index?

**M Venkatesh:** EBM, European benchmark.

**Manan Vandur:** Okay. EBM. And the monthly one is linked to what, sir?

**M Venkatesh:** It's linked to the Chinese index price.

**Manan Vandur:** Okay. Understood. And if I wanted to understand like any quarter's price, so how is this linkage actually done? Like is that a percentage form or is it directly that same amount? How is that done?



- M Venkatesh:** That is a part of the negotiation. Just to give you a small example, the EBM went up by this quarter, that is quarter 1, from quarter 4 to quarter 1, there was a change of \$0.05. But if you look at it as that's the \$0.05 is an absolute number. But in terms of percentage, it's 3.7%. So based on these numbers, we negotiate the price.
- Manan Vandur:** Okay. So this was almost a 3.7% rise. So for example, let's say, in Q4, our realization was INR90,000, for example. And so, in Q1, it would be almost 3.74% higher. Is that understanding correct?
- M Venkatesh:** It would be -- I can't tell it will be exactly the same. It would be at similar level.
- Manan Vandur:** Correct. Okay. Understood. Thank you so much.
- Moderator:** Thank you. As that was the last question for the day, I now hand the conference over to Mr. Abhishek Savant from Veritas Reputation for closing comments. Over to you, sir.
- Abhishek Savant:** 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 the transparent communication and delivering long-term value to our shareholders. On behalf of the Board of Directors and management, we thank you all for your participation in this call. Should you have any further questions, please feel free to reach out to us. We look forward to engaging with you again in our future updates. Have a good afternoon and stay safe. Thank you.
- Saunak Gupta:** Thank you.
- Moderator:** Thank you. On behalf of Indian Metals & Ferro Alloys Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.