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3rd June 2026

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National Stock Exchange of India Ltd.
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Mumbai-400051
Stock Symbol & Series : IMFA, EQ

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

Sub : Earnings Call Transcripts

Dear Sir / Madam,

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio call recording of the Company's Investor / Analyst Call held on 27th May, 2026 on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended 31st March, 2026 is attached herewith.

You are requested to take the same on record.

Thanking you

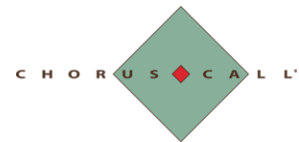
Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD


(Smruti Ranjan Ray)
Company Secretary & Compliance Officer
Membership No: F4001

Encl : As above



“Indian Metals & Ferro Alloys Limited
Q4 FY '26 Earnings Conference Call”
May 27, 2026



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

MODERATOR: **MS. SAVLI MANGLE – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day, and welcome to the Indian Metals and Ferro Alloys Limited Q4 FY '26 Earnings Conference Call hosted by Adfactors PR. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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 Ms. Savli Mangle from Adfactors PR. Thank you, and over to you, ma'am.

Savli Mangle: Thank you Alaric, Good evening, everyone, and thank you for joining us on Indian Metals and Ferro Alloys Limited Earnings Conference Call for the Fourth Quarter and Full Year Ended 31st March 2026. Today, we have with us Mr. Subhrakant Panda, Managing Director; Mr. Saunak Gupta, Chief Financial Officer; Mr. Sureshbabu Chigurupalli, Head of Ferro Alloys Business Unit; Mr. Sandeep Narade, Head of Mining Business Unit; and Mr. Binoy Agarwalla, Head of Power Business Unit.

We will start the call with the opening remarks by our MD, Mr. Subhrakant Panda, on the business operations, key initiatives and the broad outlook, followed by discussion on financial performance by our CFO, Mr. Saunak Gupta, after which we will open the forum for a Q&A session.

Before we get started, I would like to point out that some statements made or discussed on today's call may be forward-looking in nature and must be viewed in conjunction with the risks and uncertainties that we face. A detailed statement of explanation of this risk is included in our earnings presentation, which has been shared with all of you earlier. The company does not undertake to update these forward-looking statements publicly.

I would like to now invite Mr. Subhrakant Panda to make his opening remarks. Thank you, and over to you, sir.

Subhrakant Panda: Thank you, Savli. And at the outset, I would like to extend a warm welcome to all of you who have taken time out from your busy schedules to attend today's investor con-call to discuss IMFA's Q4 and financial year '26 results. As Savli mentioned, I will start out with a few opening remarks, and then we will go into the Q&A section.

I want to, at the outset, point out that we have uploaded an investor presentation to the stock exchanges, which has all the relevant data available therein relating to production sales numbers, etc. So, we will not be going through those in this con call per se. But of course, any questions relating to it, we will certainly do our best to answer.

At the outset, I would like to say that the fourth quarter of FY '26 has been a very good quarter operationally. We registered production of about a little 68,500 tons. And broadly, I would say it had 2 elements: One, which is as far as the existing facilities at Therubali and Choudwar are concerned, the production numbers were by and large the same. But what is interesting in this output number is that it has some output from our KNR 2 acquisition. As you would know, we closed that deal on February 27.

We switched on the furnaces in March. So, we have about, I think, 2,200 tons odd production included in the quarter. And just as an aside, as far as the ongoing first quarter of FY '27 is concerned, all furnaces are running smoothly, and we are getting approximately 6,000 tons a month output, but more on that later.

Secondly, realizations as compared to the corresponding quarter last year are substantially higher. In fact, in the fourth quarter, broadly about 109,000 tons as compared to roughly INR87,000 a ton. So that is why you see a substantial jump in the PAT from about INR47 crores in the corresponding quarter to INR103 crores in the current quarter.

Costs are up marginally, primarily on account of royalty on chrome, which has gone up a little bit due to elevated ore prices. And thermal coal prices have inched up a little bit. But by and large, I would say we have had a tight focus on costs. And in fact, if I were to use this as a segue to talk about the West Asia crisis update, I think broadly, direct impact we have seen is in terms of higher freight costs and domestic logistics costs because of increase in fuel prices. But other than that, in terms of demand, in terms of container availability, shipping space, etc, I think all of that is, by and large under control.

Next, I'd like to give you an update on the various projects as well as the additional hybrid renewable energy that we have signed up. First, on the renewable energy, as you know, we have 70 megawatts signed up with JSW Energy, which is expected to flow in July or so of this year. And we had another agreement for 40 megawatts, which we cancelled on mutual discussions with the developer.

And instead, we have tied up with Enfinity Global for 65 megawatts of hybrid renewable energy, which will come online June of 2027. So, 70 and 65 take the hybrid renewable energy portfolio to 135 megawatts, which will substantially reduce our carbon footprint through abatement of carbon emissions. And of course, we have the benefit of stable prices over the length of these agreements.

Now on to the project updates. As far as the greenfield project, KNR 1 is concerned, it is broadly on track. We are initiating cold trials and pre-commissioning activities from 30th of May onwards, which will continue through June and slight delay of 10 or 15 days in terms of switching on the furnaces, and that is on account of two things, which was temporarily, there was a partial manpower demobilization because of various reasons, people moving out for elections, etc. So that broke the tempo a little bit, but we are now back at full manpower at site since last week. And work is continuing, of course, at full speed.

And second, of course, for the last 2 to 3 weeks, the midday temperatures are intense, 44, 45 degrees, and that is certainly affecting output to an extent. So, I would say a slight delay, but nothing significant. And we will broadly switch on around July 10 to 15 is what we're expecting.

Secondly, as far as the ethanol project is concerned, we had updated earlier that as against the target of March or April of 2026 that we are seeing a delay in it due to the geopolitical developments and delay in fabrication and supply of some equipment because of related factors. So there, I'm happy to report that we are on track. We will be taking up pre-commissioning activities in July, as we have mentioned, and commissioning in Q2 of FY '27. We should be able to start getting output maybe towards the end of August or something of that sort.

I think beyond that, what I would like to mention is that stainless steel demand continues to be good, although growth has been about 2% to 3%, but there has been a sharp to 64.157 million tons in the calendar year 2025, globally speaking. But there has been a decline in ferrochrome output globally by about 9.4% to just short of 16 million tons. And that is one of the reasons, along with elevated cost structures which have led to prices firming up. In the ongoing Q1 FY '27, we are seeing margins and prices and therefore, margins higher than what we saw in Q4. So, I think that will enable us to report good numbers during the ongoing quarter.

But of course, that's something we will discuss later. But generally, we continue to be positive about the industry fundamentals, about demand, about the fact that stainless steel production and demand in India is moving up. And I think we are ideally positioned not just to cater to our international customers as we have been with a 90-10 export versus domestic sales.

But moving ahead, we are looking to pivot towards more domestic sales and some of that was evident in Q4 itself. But we are confident about industry fundamentals, about our own resilience and cost structure. And we will, of course, keep an eagle's eye on operational efficiency so that we are able to deliver superior results.

Thank you. Savli, we can move on to the Q&A now.

Moderator: Thank you. The first question comes from the line of Parthiv Jhonsa with Anand Rathi. Please go ahead.

Parthiv Jhonsa: Congratulations, sir, for good set of numbers. Just a couple of questions. The first one is pertaining to the South African tariff, the power tariffs. Now that the government and the local authorities are planning to have the lower tariff for the ferro manufacturers and a couple of mills are expected to start the operation, the smelters are expected to start the operations. So, what's your take on it?

Like would it have because I think over the last 12 months or 14 months, the actual global output of ferrochrome has been lower, as you mentioned, it's shy of about 16 million tons. So, do you expect this volume to come on stream, which will eventually have some competition for us in the Asian market?

Subhrakant Panda: Okay. So Parthiv, as you know, the South African power tariff situation has been publicly discussed for quite a while now. In 2025, South African ferrochrome production fell off drastically on account of their high costs, power costs, high inland logistics costs, etc.

And while some of it was made up with the increase in Chinese production, where monthly output went from about 650,000 tons a month to, if I recall correctly, about 950,000 tons in December and sort of those levels thereafter. But nevertheless, as I mentioned in my opening remarks, overall, during the year, ferrochrome production was down by a little more than 9%.

So as against the standard rate of \$1.36, first \$0.877 was approved. And then Eskom has and the government have agreed to \$0.62. And public consultation took place on 25th May from what we read online. I'm not sure if there will be more consultations or that was the only thing which happened. But what we believe is the following that it is actually an interesting scenario where this special tariff is being offered to only 2 producers in a specific sector.

And Eskom today is making a point that they will not need any additional subsidies because of the difference between \$1.36 and 0.62. So, they don't need any support. They don't need any fiscal support from the government. They will not pass on or burden the retail consumers with this, and it is overall a better scenario than not selling power.

The thing I don't understand, we are all struggling to understand, is that why did this then have to be sort of almost forced on them. But having said that, that's their prerogative, it's their national policy to do what they want to do. What we broadly believe is that from a chrome units perspective, it will, by and large, be sort of neutral in the sense that if ferrochrome production picks up in South Africa as a result of these -- if \$0.62 is finally approved, I believe, first of all, it will come with certain conditions like upside sharing and all sorts of things.

But that apart, if it leads to increase in ferrochrome production in South Africa, then it should lead to reduction in ore supplies to China and therefore, lower ferrochrome production in China, maybe moving back towards that 650,000, 700,000 or 750,000 tons sort of a monthly mark. And net-net, you will not see a glut of ferrochrome.

What I will acknowledge is that if ferrochrome production in South Africa picks up and Chinese ferrochrome production doesn't go down, then you will certainly see pressure on prices. But I would argue that it is not something which is going to be unique to IMFA. And in fact, it will put this whole special power tariff arrangement into a tailspin because Glencore has been very vocal in saying that \$0.62 is what they need to sort of "survive." But if ferrochrome prices drop down sharply, then \$0.62 will not be viable. So, this is a confusing scenario. We'll have to see how it plays out.

But we have strong fundamentals. We are comfortable where we stand. And we believe that by and large, even if these tariffs are approved, it will be sort of net-net neutral in terms of chrome units.

Parthiv Jhonsa:

Okay. That's actually quite helpful, sir. Just to take that power point forward because now you are about 135 megawatts of hybrid renewable. So, what is the total power requirement which will be met through this particular hybrid renewable? And what is the cost saving on it, if you can share, sir?

Subhrakant Panda:

Okay. So, our power portfolio at the moment is we have 200 megawatts of thermal at Choudwar and 4.5 megawatt peak of solar at Therubali. And of course, we have some off-gas generation of about 5 megawatts at Choudwar. But broadly, in as much as our expansion, which is KNR 1 and the strategic acquisition, which is KNR 2 is concerned, we broadly need about 100-odd megawatts of power. We have tied up 135; out of that 70 megawatts should start flowing in about July of this year and 65 megawatts, which we have signed up with the second supplier a few days ago, will be flowing from June of 2027.

And we are also looking to increase our capacity in KNR. As you know, KNR 2 has a partially built 33 MVA furnace capable of producing 50,000 tons. We are working on getting environmental clearances for it. And hopefully, by June of 2027 we will have it up and running. But when we have a little bit more clarity is when we will share some concrete timelines for that.

But broadly, we're looking at June 2027. So, the idea behind hybrid renewable energy is that it reduces our carbon footprint. Secondly, we will have DISCOM power as a backup because, as you know, the combined utilization factor of renewable energy is not as high as it is with thermal coal.

Now in terms of cost savings, by and large, two things. First of all, renewable energy today is at sort of grid parity or a little bit plus/minus. So, I think the benefit will come out of the fact that this is a rate which is steady for the duration of the entire contract, 25 years for the 70 megawatts and 29 years for the 65 megawatts, unless there are any regulatory changes. So those benefits will accrue with time.

But I would also like to point out that what we are seeing in terms of the fresh coal linkages that we are bidding for, and those benefits will start flowing probably from Q3 of this year that coal sourcing through linkages is also the pricing is going to be about INR400 to INR500 a ton cheaper. So those are some advantages in our existing thermal coal generation that we will see, but from H2 of FY '27.

Parthiv Jhonsa:

That's quite interesting. Sir, if I may just ask the last one bookkeeping question. Just wanted to quickly check on your capex and your debt position, which you expect for '27 and '28.

Subhrakant Panda:

I will ask Saunak Gupta our CFO, to share those numbers?

Saunak Gupta:

Yes. On the capex, as you know, we have already spent INR600-odd crores by April. And the balance amount which we have to spend next year is approximately INR450-odd crores. We have taken INR470 crores of term loan, which we have partly utilized by March. We have unutilized balance of INR170 crores from there which we will use along with the internal accruals. We will be managing out the balance of INR450 crores and whatever we think is required.

And we may or may not use the full term loan. But if required, we have INR170 crores of unutilized sanctioned loan. So INR170 plus INR250, roughly INR450 crores should be sufficiently generated by us through our own sanctions we have from banks as well as the profitability that we are getting. So that's the plan. I hope I could answer your question.

Moderator: The next question comes from the line of Anant Sarda with Chhattisgarh Investments.

Anant Sarda: Sir, I want to understand if we have tied the production capacity of Kalinganagar 2 like as a long-term contract? Or are we selling the ferrochrome on spot pricing, sir? And building on that question, sir, what do you think will be the strategy for long-term contract versus spot pricing for Kalinganagar 1 as well?

Subhrakant Panda: Okay. So, Anant, broadly, when we look at our marketing strategy, we look at selling about 70-odd percent, 70%, 75% against long-term contracts, where essentially whether it is an annual contract or a 5-year contract, tonnages are fixed and pricing is done either every month or every quarter. I mean it's monthly in the case of China, quarterly in the case of POSCO and some Japanese customers, etc. But when we talk about spot sales, it's not as if we are selling to random people for the first time. It is broadly customers -- repeat customers, but where we don't have a contract blocking that tonnage for any particular length of time.

So, there are certain consumers in India as well as overseas where we sell tonnage regularly, maybe even every quarter, but we don't, there is no long-term contract where that tonnage is set aside. But spot sales is not really selling to a random person for the first time. So let me put it in that way.

Secondly, as far as our strategy for Kalinganagar 1 and 2 is concerned, our output is going to go from about 265,000 tons, which is where we are in FY '26 to broadly 400,000 tons in FY '27 and 500,000 tons or so, 475,000 to 500,000 tons in FY '28. Now first and foremost, what we are doing is from a 90-10 in favor of exports, we are looking to be about 60-40 in favor of exports.

Our existing long-term customers internationally are interested in additional tonnage, have reached out to us for additional tonnage. So we will be looking to allocate some tonnages there. And we believe domestically, the economy is growing, stainless steel production is growing, per capita consumption is increasing, and there is space in the market for us to make our presence felt.

So, we will be looking at allocating at least about 200,000 tons to the domestic market in times to come. Now having said that, long term versus spot, traditionally, in India, contracts have always been finalized on tonnage-to-tonnage basis, lot-to-lot basis. But we are talking with a few customers here. And generally speaking, I think they are receptive to the idea of allocating tonnages and pricing it on whichever format. But suffice to say that we are very confident about demand. We are very confident about placing these tonnages, and we don't see any issues in that regard.

Anant Sarda: Okay. Sir, regarding the Kalinganagar 2 expansion, there was one 33 MVA furnace, which was partially built. What are time lines for the completion of that furnace, additional 50,000 tons?

Subhrakant Panda: So, in fact, I just mentioned that, but I'll reiterate it. So yes, there is a partially built 33 MVA furnace, which when completed can add another 50,000 tons of output. So because the environment clearances, etc, have to be obtained for that because it has been in that partially built stage for a while. So we are just trying to figure out the time lines. But we would hope to target commissioning around June 2027.

But that is something we need to get a little bit more clarity about the environmental clearances, etc. So we will give a formal sort of an update on that perhaps when we discuss Q1 results, etc, in a couple of months. But broadly, we are targeting June 2027, but I want to reiterate that a firm update on what time line is will be shared by us in a few months.

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

Harsh Vasa: Congratulations on the good set of numbers. Sir, my first question was about the capex on FY '27-'28. I know Saunak sir said about that. But the voices are little muffled. Could you just repeat that?

Saunak Gupta: Yes. In FY '27, what we said is that the balance amount of Kalinganagar and Ethanol projects and the underground mines in Sukinda that we are investing. Total amount of INR450 crores planned towards capex. From that, major portion of investment will be through our internal accruals. But we still have unutilized term loan of approximately INR170 crores, which we can use. As the time progresses, we will see the ideal mix to use the term loan and the internal accruals.

Harsh Vasa: Okay. And sir, capex for FY '28?

Saunak Gupta: For FY '28, other than the routine capex, primarily the balance portion of the mines will be there, which will be to an extent of approximately INR700-odd crores. But INR700 crores is not in FY '28. We have not yet calculated the exact amount. So at least a major portion of that will be in FY '28.

Moderator: The next question comes from the line of Aashav Patel with Molecule Ventures PMS.

Aashav Patel: Congratulations to the entire team for a stable set of numbers during challenging macro environment. So sir, my first question is with regard to our hedging policy. So can you explain it at length broadly what is our hedging policy? Because it looks like there is a sharp jump in other expenses for the quarter, which could be pertaining to that. And also the realization improvement is not as much as visible how the rupee depreciated during the quarter. So that would be very helpful.

Subhrakant Panda: So I'll give a brief remarks on this and then Saunak can step in with details. So in fact, as far as the mark-to-market notional loss that we have booked is concerned, that is there in the notes to accounts, you can see that.

And secondly, the point, broadly, what we do is we look to hedge about 25% to 30% of our outstandings at any of our net foreign exchange exposure and primarily try to make balance the downside while also locking in some of the upside. What happens in a scenario when you have had a sudden jump from INR88, INR89 to first INR93 and then now about INR95, INR95, INR96 or so. That is where it has an impact.

Of course, a lot of it is notional, not realized, not actual losses. That is number one. And secondly, actually, the top line does capture the rupee depreciation. I mean, obviously, we can't distinguish it and show it aside separately. But broadly, if you look at it Q4 of last year to Q4 of FY '26, the tonnage gain is about 2,500 tons, which is not significant. But the jump in realization is from INR87,000 a ton to INR109,000 a ton. I mean, in terms of dollar prices, it has not moved up significantly.

I mean it has moved up, not so significantly, and a lot of it has also come in from the rupee depreciation. But Saunak, would you want to explain a little bit more on the hedging policy?

Saunak Gupta:

Yes, you have explained most of the things. Based on the probability that rupee may appreciate in future, we have internal policy to keep hedged amount at around 25% of our total exposure. 90% of our total sales is in exports and all in dollars. So that's how we hedge and it is mostly the forward for next 12 to 18 months. Now what we see in the financial accounts, whatever forex gains are coming from the full exports are actually recorded in the revenue or it's embedded there. So it's not seen separately .

But whatever is actually hedged out, the differential on actual Forex loss or on the mark-to-market is shown separately in the other expenses. So as said earlier, as on 31st December, the USD to INR was INR89.9, which increased to INR94.65 as on 31st March due to the volatile market. Now for the accounting purposes, this difference has to be shown as a provision or what we call as a notional loss in the books, though it may not be the actual loss. Whatever we have booked for next 12 to 18 months, under mark to market accounting, we are showing it as a notional forex loss amount, which you see in the investor deck, I have said about INR28 crores of that is actually the notional amount which has been put in. Actual during this quarter, even though there has been a sharp depreciation of rupee, but the actual loss is only limited to INR3 crores.

Whereas our Forex gain almost for the full year, which is embedded in the revenue is almost INR80 crores plus than what we had budgeted. So that's basically the accounting standard, for which in the face of the P&L, it looks that there is a hit, but the actual gain is embedded in revenue .

Aashav Patel:

Sir, moving on my second question is that we were hopeful of reducing our EBITDA cost per ton by INR3,000, INR4,000 once due to operational synergies once the KNR 2 is up and running. Now that we are already on track in terms of operating the KNR 2. So are you able to feel the benefits already in the numbers? Or what's the outlook there?

Subhrakant Panda: Okay. So slight clarification to that, Aashav, which is that when entire KNR complex comprising 1 and 2 is up and running is where we are looking at a weighted average reduction in EBITDA cost by INR3,000 to INR4,000 on account of better logistics. So not just KNR 2, but KNR 1 and 2 taken together. And obviously, KNR 2 operations have stabilized. KNR 1 is yet to start. But the benefits will really start flowing after the furnace operation stabilizes in both areas because two things I want to point out.

First of all, there will be certain start-up costs, which are one-off. Until furnaces stabilized when we are drawing DISCOM power, until and unless you're above 80% or 90% plant load factor, your power cost doesn't become economical, whereas when you're in the heating up mode, we are actually consuming very little power and that is priced fairly expensive. So these little aberrations will be there, not significant, but these sorts of aberrations will be there.

I will share one other example. As part of the KNR 2 acquisition from Tata Steel, we are also from the 1st of June, taking over the GNA RE corridor, which is the transmission corridor for renewable energy, which they had for the KNR 2 site. So that has come to us from 1st June, but the power will start flowing from, let's say, July end or something of that sort. So a couple of months, we will be paying fixed charges, which is not significant INR2 crores, INR2.5 crores or thereabouts, for the corridor without actually utilizing it. But these are -- you cannot perfectly time it to a 24-hour period that renewable energy is available and the corridor is available.

So these little aberrations will settle down after a couple of quarters. When I say short term, I mean, let's say, from November, December onwards, we will start seeing the full-fledged benefits of improved logistics costs and proper utilization of things like the GNA RE corridor, which will give us benefits.

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

Joe Shah: Number one, with the URJA Strot, what is the rate we have finalized for the 55 megawatt.

Subhrakant Panda: We are not sharing commercial information on that. But suffice it to say that it is fairly attractively priced.

Joe Shah: Okay. Another thing now KNR 1 and KNR 2, everything is going well. Congratulations for that. Now KNR1, I understand that there is a further plan to put up furnaces to 200,000 tons additional capacity, which will take us from 500,000 tons to 700,000 tons. Can you throw some light on this, how we are planning?

Subhrakant Panda: No. That is not the case. So just to clarify, as far as KNR 2 is concerned, we have acquired 100,000 tons, partially built furnace when it is completed, we'll add 50,000 tons. So that's 150,000. And as far as KNR 1 is concerned, it is for 100,000 tons.

We have land for a third furnace, but that's a call we will take later. And what you are talking about 220,000 tons clearance for Phase 2 expansion, that was prior to the acquisition. So we were putting up KNR 1 as a greenfield, and we were looking at a second phase expansion.

But now that we have acquired the Tata Steel unit, that second phase expansion is not something that we are pursuing. But yes, in KNR 2, we will complete the partially built furnace. And in KNR 1, we will evaluate whether we would like to add one more furnace or not and what is the time line for that.

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

Vinit Thakur: Most of my questions have been answered. So if you could just shed some light on the expansion for mining capacity of chrome.

Subhrakant Panda: So I'll just give a broad overview. Of course, Sandeep Narade, our Mines BU Head, is available on the call if more details are required. So as you know, a few years ago, we were mining about 6 lakh tons per annum from open cast and underground, last year, we crossed 7 lakh tons. FY '26, we crossed 8 lakh tons. And FY '27, the target is for 10 lakh tons.

We will be at the 10 lakh ton mark for a couple of years, and then we will gradually take it up to 12 lakh tons. The eventual plan, which is what we are spending that close to INR1,000 crores for is to sustain output at 12 lakh tons per annum and entirely from underground. So Mahagari as against 6 lakhs, we are already at 536,000 from underground operations. And so that is pretty much maxing out. I mean we'll go up a little bit more.

As far as Sukinda is concerned, we are still in the 3 lakh to 4 lakh tons open cast ore. That will gradually peter off and we will move into underground operations. And that will also be 6 lakhs. So 6 plus 6 is what is giving us 12 lakhs. In these 2, 3 years that we are mining only about 10 lakhs and our requirement is 12 lakhs.

That is where we have quite a substantial ore inventory that will slowly start normalizing from next year onwards because we'll be eating into that inventory. So broadly, I hope I have clarified that. If there are any specific questions, we have the Mines BU head to answer.

Vinit Thakur: And sir, what would be our targeted EBITDA per ton for ferrochrome and what is the current for this year as well.

Subhrakant Panda: So look, I mean, ferrochrome is a volatile sector. We have a great degree of confidence about our costs. The only exception to that being metallurgical coke, which we procure from outside. And of course, thermal coal prices also move up and down, and that is where once we have more of hybrid renewable energy coming in, that's more of a steady cost, as I said, barring regulatory changes, the rate remains the same. But the question here is in terms of realizations.

And first and foremost, we certainly don't look beyond a couple of quarters, we don't forecast prices, and we don't look at more than a couple of quarters to be a little conservative in this regard.

But we do feel that due to cost pressures, ferrochrome prices in line with other commodities are going to remain elevated. In fact, currently, I would say domestic prices are in the INR118,000 to INR120,000 a ton mark, which is a little bit higher than what we have seen in Q4 of FY '26.

And even export realizations are in excess of INR120,000 a ton. And that is a combination of prices having moved up a little bit and of course, the rupee depreciation factor coming into play.

So, we are broadly confident about the mid to long-term sort of demand cycle and what that will translate to in terms of elevated ferrochrome prices. There is a lot of talk also if you look at it about the commodity super cycle. But leaving that aside, I think broadly because of underinvestment in newer capacity and creating new capacity, we believe that we will see a sort of a prolonged period of relatively elevated prices. So, a little difficult for us to give targeted EBITDA per ton per se. But Saunak, I don't know if you would like to add anything to this?

Saunak Gupta: No, I think you have already explained the whole matter and specifically in the volatile market, we usually don't give any future projection on the EBITDA. But on the quarter 1 side, we see a similar price realization and definitely, we expect to do well in quarter 1.

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

Pranav Jain: Really happy to see KNR 2 already at 70% utilization levels. Just two clarifications from my end. Was it this year that we are targeting a 60-40 export versus domestic split?

Subhrakant Panda: We are looking at going from 90-10 to 60-40 by sometime next year. I mean, first and foremost, the added capacity from KNR 1 also needs to come on board. And that will realistically, as I said, one furnace we're looking to switch on by about 10th to 15th July and the next furnace around end August, early September, so the first pre-commissioning will start in a few days.

Switching on is slightly delayed in the first furnace, but slightly advanced in the second furnace. So I think it overall averages out in terms of our output target for the year. But once that is done we will hit an annualized rate of 5 lakh tons by November, December of this year. And that is when we will broadly start looking at 60-40.

Pranav Jain: Got it, sir. And just second was considering that our Kalinganagar capacities are coming up largely in the first half of the financial year, along with some part of renewable energy also starting. So towards the second half, can we expect that EBITDA cost to go down by a couple of thousand tons going back to 78,000, 79,000 tons that we used to do earlier?

Subhrakant Panda: I mentioned a little while ago that what we were indicating in terms of INR3,000 to INR4,000 a ton savings, that will come when the entire capacity is online. And yes, you are right that by H2, the KNR 1 will be online. And of course, KNR 2 is already operating. But again, as I mentioned, give us a few months for these aberrations in terms of start-up costs and all that to sort of settle down. So, I mean I don't want to overcommit and give explanations and thereafter have to explain.

But when we achieve a steady-state operation is when we will see it. So I think that will be towards the end of the year or to be on the safer side, if I say, from Q4 of FY '27 onwards is when we would truly have steady-state operations across the board.

Moderator: The next question comes from the line of Saket Kapoor with Kapoor & Company.

Saket Kapoor: First, a clarification that it is the unhedged part of our forex contract that has resulted in the profitability going down by INR30 crores, INR34 crores for this quarter. And with this kind of depreciation not continuing for the next, that will not be factored for the next quarter. That is how our earnings have been...

Subhrakant Panda: No. Let me explain. The hedging that we had done 6 months, 8 months ago, which was all at the realizations, would have been 88, 89, 90, so to say, which at that point in time with a rate of 85, 86, 87 was looking attractive. When you have had the West Asia crisis and suddenly rupee has dipped to 94, 95 levels, that 25% to 30% that we have hedged, that is what is resulting in the mark-to-market losses. That is number one. And sorry, the second point you were making, please remind me about that again?

Saket Kapoor: I am looking that this is not going to repeat in the ensuing quarter since we have been mark-to-market and for the entire hedge and the unhedged portion?

Subhrakant Panda: Well, so you know what, if the rupee appreciates, actually, some of that will result in a mark-to-market gain. But broadly, I think Saunak can confirm what was the rupee closing for Q4? What is that pegged to?

Saunak Gupta: So it was INR93.65. And now it is again at INR95, INR96, but the swing of almost from INR89.9 to INR93.65 that was almost INR3.75. If that much swing does not happen, obviously, we will not be getting that level of hit. But it is a relative matter between quarter-to-quarter.

Subhrakant Panda: But Saket, I want to reiterate 2 things. First and foremost, that this is notional. And if the rupee swings back a little bit to below INR93.65, then we actually record a mark-to-market gain. And again, I reiterate that whatever mark-to-market we are recording is on 25% to 30% of our foreign exchange earnings, whereas 70% is where we are gaining. So overall rupee depreciation is still good for us. That is one. Secondly, if you dive a little deeper into the Q4 results and Q4 versus Q3, so let's look quarter-on-quarter. One is the mark-to-market on foreign exchange hedging.

Secondly, there is about INR16 crores, INR17 crores reduction in other income, and that is on account of the investment income we were getting from the large cash balances, which we then drew down and we paid for the acquisition from internal accruals. So cash in the books has gone down from INR900-odd, INR950 crores to about INR400 crores, INR450 crores.

So to that extent, investment income has gone down, but we are deploying that into assets which will give us more returns because investment returns is giving us about 6.5%, 7%, 7.5%, those sorts of returns, right, because we are deploying it fairly conservatively. And secondly, also, I think whatever investments are there, on March 31 itself, the NAV was a little subdued, which is why some MTM is there on that as well. So when markets stabilize, then there will be some MTM gains as well.

Saket Kapoor: Right, sir. You have been very categorical whenever you speak to investors that you have visibility for 2 quarters down the line at best because of the volatile nature of the segment. So sir, how are we visualizing H1 to behave in terms of realizations?

And lastly, at what price have been the revision for our contracted quantity benchmark If you could just give us some color how will H1 shape up as you vision today.

Subhrakant Panda:

So one point, Saket, I want to make is that conviction is there beyond 2 quarters. But visibility you never know how things shape up, which is why we don't like to give any sort of forecast beyond a couple of quarters. But first and foremost, I want to reiterate that I have the conviction about elevated commodity prices because of a variety of reasons, cost pressures, underinvestment in creating new capacity, etc. And of course, our own resilience and fully integrated business model, which gives us that comfort.

Now to come to what H1 is looking like. First of all, as I said, Q1 is looking definitely better than Q4 of FY '26. Q1 FY '27 is definitely looking better. Prices have moved up a little bit more, and the higher output comes into play.

As against sales of about 65,000, 67,000 tons a quarter that is normal for us. In Q1, we will be looking at about 80,000 tons because of the additional output from KNR 2, which is coming in. And as far as Q2 of the quarter is concerned, which is July to September, in another 15, 20 days, we will start getting a flavor of what the price will be like. We expect it to be around the same as Q1 as of now. That's the expectation.

Moderator:

The next question comes from the line of Anant Sarda with Chhattisgarh Investments.

Anant Sarda:

Sir, in FY '27, we are saying that according to the presentation that our ferrochrome capacity will be close to 484,000 tons. And also in the same year, We are also going for a hybrid renewable of 135 megawatt. So may I understand how much proportion of this ferrochrome we made from renewable? And how much will be grid and how much will be coal-based? Is there any kind of bifurcation that you have in your mind?

Subhrakant Panda:

You mentioned about FY '27 capacity, 484,000 tons. I just want to clear that normally, while we don't give volume guidance, but because we are in a growth phase for FY '27 and FY '28, we have given some indicated volume numbers. And for FY '27, the expected output is about 400,000 tons, which will go up to about 475,000 to 500,000 tons for FY '28. And again, our Power BU head is on the call, Binoy Agarwalla, he can share more details if necessary. But broadly, I would say that next fiscal, FY '28, we broadly would expect about 35% to 40% of our total energy consumption to be from renewable sources.

Moderator:

The next question comes from the line of Pragyam Laddha with Omnee Securities.

Pragyam Laddha:

Sir, all my questions have been thoroughly answered. Just two more questions. First, would there be -- you said that there might be some one-offs when you are starting these plants. So can you throw a bit more light on it --, Would you be able to quantify it, I mean?

Subhrakant Panda:

Pragyam, difficult to quantify at this point in time, but see, these are brand-new furnaces, which will come into play. So the heating period and there will be a heating of about 10 to 12 days, following which you'll be gradually stepping up load. So that is the period where 2 things will happen. First of all, you are consuming electricity without getting any output. That is one.

That we may be able to quantify, although we don't have the numbers with us offhand to mention that to you. But I was also referring to things like when you're drawing from DISCOM power, until and unless you cross 80% and ideally 90% levels, your rates per unit cost is high, and it starts dropping after 60 and goes down quite a bit noticeably after 90.

So it is only when we are running on a full-fledged basis that we will achieve 90% or perhaps even 95% power factor and things like that. So, in the initial heat up phase, you are both consuming power without output for a couple of weeks as well as that per unit rate is a little on the higher side. That was what I meant by one-offs. And the other example I gave is, for example, the GNA RE corridor, which has transferred, but you can never time the availability of the corridor to the flow of power.

So, we would much rather bear the fixed cost for a month or two as opposed to not be able to have the power flow. As it happens, we are getting the GNA RE corridor from Tata Steel from June 1 onwards and 65 megawatts and 70 megawatts will start flowing from, I would say, July end or so.

Moderator: The next question comes from the line of Kaushal Kedia with Wallfort PMS.

Kaushal Kedia: Sir, recently, you made a statement in the business standard saying that you have aspirations to go for other critical minerals. And taking into consideration that we will be generating substantial cash in the next -- going forward after maybe 1 year, we'll again have a major portion of our cash in the balance sheet. So can you just throw some light as to where you want to be or what is the aspiration? I know it's very difficult to say right now. It's a far long short right now.

It's a far-fetched prospect right now. But what is your thought process like and there are nickel mines available in Odisha, and I believe somewhere in Sukinda. So what is your thought process as to where you want the company to be in the next 5 years?

Subhrakant Panda: So Kaushal, one lighthearted comment to begin with, certainly not far-fetched, but something that we are working on seriously, but I was just making it on a lighter note. And one correction, lithium mines not in Sukinda, not in Odisha to the best of my knowledge as well. But now to get to what is the critical minerals aspirations that we have.

So what is very clear is that in as much as critical minerals or rare earth elements is concerned, that is more up our really adjacent to our skill set of prospecting mining and doing one or more levels of value addition. Clearly, the technology and the scale is very different when it comes to critical minerals as compared to bulk minerals like because here, we are talking lakhs of tons.

There, you may be talking tens of thousands of tons, not -- and in some cases, even hundreds of tons, not even thousands of tons. So, the technology may be different. The scale may be different. But broadly, it is adjacent to our skill set with regard to mining and processing of minerals. So that is what we are looking at.

Now secondly, we are looking to participate in some of these critical mineral blocks, which are coming up in Odisha and elsewhere in the country.

In the past year or so, we have bought a document for a few of these blocks to understand the process. We haven't really participated in any. Going ahead, we are looking to do that. Beyond that, all that I can say is that we are working very diligently on creating sort of a plan of action as to what we are targeting.

And I mean, I'm afraid there is not much details that I'll be able to share at this point in time. But hopefully, sooner rather than later, we are certainly looking to participate. And hopefully, sooner rather than later, we will be able to become the preferred bidder for one or more blocks and then throw more light on what our strategy is.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Subhrakant Panda, the MD for their closing remarks.

Subhrakant Panda: Thank you very much. I think it's always interesting and fruitful for us to engage with all of you because we not only get to share our numbers and talk about strategy and talk about what we are doing. But as I think, said without fail in every investor call, I think your questions force us to think deeper and you come up with insights which are useful. So thank you very much for taking time out, and thank you for your interest in IMFA.

What we are committed to is transparently sharing what we are doing, where things are going right, where things might be a little bit off track. But our commitment to transparency, our commitment to focusing on our strengths and operational efficiency to lead to deliver superior performance remains unchanged.

And we do look forward to continuing to interact with you not just in these quarterly results calls, but even at other opportunities, and we will certainly look to answer your questions to the best of our ability. If anything has got left out that you couldn't ask or if you think of it later, please do reach out to us, reach out to the IR agency, reach out to Saunak, and we will certainly do our best to respond to these questions. Thank you once again for your time and your interest.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Indian Metals and Ferro Alloys Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.