



04th February 2025

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The Listing Department
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Stock Symbol & Series : IMFA, EQ

The Deputy General Manager
(Corporate Services)
BSE Limited
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Stock Code : 533047

Sub : Earnings Call Transcripts

Dear Sir / Madam,

Pursuant to Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the audio call recording of the Company's Investor / Analyst Call held on 30th January 2025 at 3.00 pm on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December 2024 is attached herewith.

You are requested to take the same on record.

Thanking you

Yours faithfully
For INDIAN METALS & FERRO ALLOYS LTD


(PREM KHANDELWAL)
CFO & COMPANY SECRETARY
Membership No: F3526

Encl : As above.



**“Indian Metals and Ferro Alloys Limited Q3 FY25
Earnings Conference Call”**

January 30, 2025



MANAGEMENT: **MR. PREM KHANDELWAL - CFO & COMPANY SECRETARY**
MR. BIJAYNANDA MOHAPATRA- WHOLE-TIME DIRECTOR & CHIEF OPERATING OFFICER
MR. SAUNAK GUPTA – CFO DESIGNATE
MR. BINOY AGARWALLA - HEAD, POWER BUSINESS UNIT
MR. SANDEEP B. NARADE - HEAD, MINES BUSINESS UNIT
MR CH.S.V.CHSURESH BABU– HEAD, FERRO ALLOYS UNIT

MODERATORS: **MR. ARYAN RANA - VERITAS REPUTATION**
MR. ABHISHEK SAVANT - VERITAS REPUTATION



Moderator: Ladies and gentlemen, good day and welcome to the Earnings Conference Call of Indian Metals and Ferro Alloys Limited arranged by Veritas Reputation.

At this moment, all participant lines are in the listen-only mode. Later, we will conduct a question-and-answer session. At that time, if you have a question, please press “*” and “1” on your touchstone keypad. 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, Rayo. Good evening, everyone, and thank you for joining us on this conference call to discuss Indian Metals and Ferro Alloys Limited, which is IMFA’s Financial Results for the third quarter of Fiscal Year 2025 ended December 31st, 2024. IMFA India is leading fully integrated producer of Ferro Alloys has delivered a resilient performance in Q3FY25 despite a challenging market environment, reinforcing our focus on long-term value creation and operational excellence.

Over the past 3 to 4 years, IMFA has transitioned to profitability driven by strong share price appreciation. Also over the last two years, IMFA’s market cap has more than doubled and share price has surged by 89%. While EPS has grown at an analyzed rate of 8.3%, the stock’s 24% analyzed gain has gained over this period outpaced EPS growth reflecting increasing market confidence in the company’s future. In the past year alone, IMFA shareholders have earned a total shareholders return, TSR, of 10% including dividends, while the five-year TSR stands at an impressive 51% per year, reinforcing our track record of delivering value.

Despite headwinds in the commodity markets, our steady long-term contracts and cost optimization efforts have helped us mitigate the impact on Q3 FY25 results, ensuring steady performance in a dynamic environment. Our financial results are available on our website and stock exchanges for reference.

Before we begin, I would like to remind you that today’s discussion may include forward-looking statements that involve risk uncertainties and other factors that could impact the future performances and that should be considered to be in the context of our businesses and market conditions.

Joining us on the call today are Mr. Prem Khandelwal – CFO and Company Secretary; Mr. Bijaynanda Mohapatra – Whole-Time Director and Chief Operating Officer; Mr. Saunak Gupta – CFO Designate; Mr. Binoy Agarwalla – Head (Power Business Unit); Mr. Sandeep B. Narade – Head (Mines Business Unit) and Mr Chigurupalli Sureshabu – Head, Ferro Alloys Unit.

We will start with a “Brief Overview” of our Q3 FY25 Performance followed by an open floor for questions.



With that, I will now hand over the call to Mr. Prem Khandelwalji – our CFO. Over to you, sir.
Thank you.

Prem Khandelwal: Thanks, Aryan. Good afternoon, everyone, and thank you for joining us on today's earnings call for Q3 FY25.

This quarter our performance came in below expectations with the profits seeing some pressure due to market conditions. While this is not the outcome we had anticipated, we remain focused on navigating these challenges with a disciplined approach to operations, cost management, and strategic planning. Looking ahead, we expect some further contraction in the next quarter as sudden headwinds persist. However, we are taking proactive steps to mitigate risk and enhance efficiency, ensuring that we are well positioned for a recovery when conditions improve, which is likely from next month onwards. The expansion and diversification plans are going on track with Kalinganagar Phase-1 construction to start from next month and ethanol from December 25 or January 26. With Kalinga Nagar Phase-2 thereafter, we are well poised to double our ferro chrome capacity in the next 3 to 4 years. We appreciate the continued support of our stakeholders and remain committed to delivering long-term value.

Thank you for your trust, and we look forward to discussing our performance and outlook in greater detail during this call. Thanks.

Moderator: Thank you very much. Shall we begin with a question-and-answer session?

Prem Khandelwal: Yes, now I think we can start with Q&A session.

Moderator: Thank you. Participants who wish to ask questions, please press “*” and “1” on your touchtone telephone. If you wish to remove yourself from the question queue, you may press “*” and “2”. Participants are requested to use handsets while asking questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. To ask questions, please press “*” and “1”. First question is from Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur: Yes, thank you so much for the opportunity. Sir, I had a few questions. The first question would be that, what are the production and sale volume figures of ferro chrome this quarter?

Prem Khandelwal: Just a moment, let me see. Production was 65,865 tons and sales 65,490 tons.

Manan Vandur: Production you said 65,000?

Prem Khandelwal: 65,865 and sales 65,490.

Manan Vandur: Okay. So, the second question would be, what is the cost of chrome ore per ton for this quarter?

Prem Khandelwal: It's Rs. 9,085 landed at Choudwar.



- Manan Vandur:** It is 9,085. Sir, what is the cost of coke per tonne?
- Prem Khandelwal:** Coke is around Rs. 14,628.
- Manan Vandur:** So, that would be for half a ton, right?
- Prem Khandelwal:** Yes, it's the consumption value I am telling you. It's a part of the ferrochrome cost.
- Manan Vandur:** Correct. Cost of power this quarter?
- Prem Khandelwal:** It's Rs. 18,671.
- Manan Vandur:** Sir, per unit how much would it be?
- Prem Khandelwal:** Per unit variable cost is Rs. 4.03 and total cost is Rs. 5.27.
- Manan Vandur:** And sir, the last question would be the what is the average selling price of ferrochrome this quarter?
- Prem Khandelwal:** This quarter selling price has come down. It is around Rs.96,943/-.
- Manan Vandur:** And how much do we anticipate in the next quarter? Like what would be the range for it?
- Prem Khandelwal:** You see, giving the exact number is very difficult because you know we are selling on a spot basis also. So, we will come to know at the end of the quarter only.
- Manan Vandur:** Okay. That's it from my side. Thank you so much.
- Moderator:** Thank you. The next question is from Aashav Patel from Molecule Ventures PMS. Please go ahead.
- Aashav Patel:** Thank you for the opportunity. My first question is that what is our EBITDA cost for Q3 this quarter, which went by?
- Prem Khandelwal:** EBITDA cost is 77,827, Aashav.
- Aashav Patel:** And roughly what how do we expect the cost per ton to pan out, EBITDA cost per ton to pan out for Q4 which is the current quarter?
- Prem Khandelwal:** Q4 I think it would remain more or less at these levels.



Aashav Patel: And sir in terms of hypothetically speaking, if we need, I understand that we have the CTO to double our mining output. Is that correct understanding? From 6 lakh metric tons, we can now mine a total of 1.2 million metric tons of chrome ore.

Prem Khandelwal: Sandeep, would you answer that?

Sandeep B. Narade Yes. We have already received the CTE and CTO to double our production up to 1.2 million tons together from both the mines, Sukinda and Mahagiri. We are already having all the permissions.

Aashav Patel: All the permissions, right?

Sandeep B. Narade Yes.

Aashav Patel: So, in case if you need to extract more ore, we can do it right away, from day one we can double?

Sandeep B. Narade No, not right away. We have initiated the expansion project for that. From Sukinda, we will be doing 6 lakh tons by FY32. So, already we have started working for that. We are converting our opencast mine to underground. That project has been started.

Aashav Patel: Okay. And is there a way to expedite that? Can we expect the ore faster?

Sandeep B. Narade No, already because we are converting opencast to underground, so that will take time and according to that, we have prepared the plan to expedite.

Aashav Patel: But how long does it take to build this underground ore specifically? I just wanted to understand the laid out timeline for the same which is over next 5-6 years. Is it because we have a staggered furnace coming up or is it a time-consuming process to develop the mine itself?

Sandeep B. Narade It is a time-consuming process. It takes about 5 years to start ore production from underground. And that depends upon the type of the ore, what type of ore we are having, how is the quality of the ground. So, all these conditions are taken into consideration for this.

Aashav Patel: Okay. And from Mahagiri, we can any which ways double the output?

Sandeep B. Narade Mahagiri we were doing 3 lakhs tons, 2 years back. From last year started augmenting the production. So, about 15% to 20% per year. At that rate, by FY27, we will be producing 6 lakh tons from Mahagiri.

Aashav Patel: Okay, got it. And how much are you targeting from Sukinda for FY27?

Sandeep B. Narade That will be just 3 lakh tons only from opencast.



- Aashav Patel:** Okay sir, that's all from me. Thank you.
- Prem Khandelwal:** Thank you, Aashav.
- Moderator:** Thank you. Next question is from Aditya from Axis Securities. Please go ahead.
- Aditya:** Thanks for the opportunity. So, just on the previous question, so we will go up to 6 lakh tons at Mahagiri by FY27 from 3 and Sukinda by FY32. Is that right?
- Sandeep B. Narade** Yes.
- Aditya:** And can you just elaborate more on the expansion of ferrochrome from 280 KTPA to 0.5 million tons? How it will happen in what phases?
- Prem Khandelwal:** Suresh, can you explain that?
- Sureshbabu Chigurupalli:** Yes. Regarding this Kalingangar project, we have obtained consent to establish in the month of November and almost major packages order is in progress and by March and April we are going to release us around the order of Rs. 400 crores and we have already released the order of around Rs. 200 crores and we are expecting to power up our first furnace by around first quarter of 26-27 by April to June. The June we are expecting, June 26 we are expecting to power up one smelter, and the other smelter with a gap of three months. So, that is how the first phase project expansion plan. That will add around 96,000 for existing power capacity and the remaining inorganic growth also we are planning, wherever it is possible.
- Prem Khandelwal:** And then in phase two, we will start thereafter, so which is again likely in 3 to 4 years. So, that's how we are planning to reach around 0.5 million tons in 3 to 4 years' time.
- Aditya:** Okay. Any color on the inorganic part, any particular targets we have, any advanced discussion?
- Prem Khandelwal:** No, nothing as such. We are open to that, but nothing as such at the moment.
- Aditya:** Okay. My last question is on, if you can throw some light on the current situation on ferrochrome prices. We have seen that in this quarter prices have, can we say that prices have bottomed out and what is the outlook? Any directional color will be helpful.
- Prem Khandelwal:** Suresh?
- Sureshbabu Chigurupalli:** In the last quarter, there is a steep fall of ferrochrome prices, and the realization is decreased. So, we are expecting similar prices for the next two months. Anything from March onwards there will be a uptick in the prices and now there is a rollover of the same prices. So, we are expecting the bottom up as happened in both Chinese and European markets. So, we are



anticipating the market condition to improve later part of this quarter and the first quarter of the 25-26.

Aditya: Okay sir. Thank you and all the best.

Prem Khandelwal: Thank you, Aditya.

Moderator: Thank you. Next question is from Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity. I wanted to understand, we have Rs. 1750 crores CAPEX to increase our production capacity as well as to create a new ferrochrome...

Prem Khandelwal: Madhur, you are not audible. Are you using the speakerphone?

Aditya: Sir, is my audio right now better?

Prem Khandelwal: Yes, little better.

Aditya: Yes. So, I wanted to understand what is the payback period expected from this 1,750 crore CAPEX we are doing on ferrochrome?

Prem Khandelwal: I didn't get you. What is the...?

Aditya: Sir what would be the payback period for these investments that we are making in increasing production at all these three so all are steady like based on like past 5-10 years of pricing, we might have taken a short projection. So, on that, what would be the payback for this?

Prem Khandelwal: No, it's very difficult to project the payback as such because our industry is very cyclical. So, if the prices are good, then it can be 2-3 years also. But if it is not so good, then it could be 5-6 years. So, predicting any number is very difficult.

Aditya: Okay, got it. We have got into ethanol production, so if I wanted to understand how much are we going to invest in this? And sir, why are we getting into ethanol when we are a metal player? So, what is the rationale behind getting into ethanol?

Prem Khandelwal: This point we have explained in quite a detailed manner in the last concall also, that we have some surplus capacity available in Therubali, and Therubali we are not expanding ferrochrome because of logistic disadvantages. So, we are utilizing our idle capacities there. And that is agriculture belt where enough of raw material is available. So, we are utilizing our idle assets there to generate some money. Okay, so that was the idea. So, it's a 120 KL plant with roughly Rs. 150 crore of investment, which will generate around Rs. 300 crore of revenue and EBITDA margin expected around 10%.



Aditya: Okay, so around 5 years exactly.

Prem Khandelwal: Yes.

Aditya: Sir, thank you so much and all the best.

Prem Khandelwal: Thank you.

Moderator: Thank you. Next question is from Manan Vandur from Wallfort PMS. Please go ahead.

Manan Vandur: Yes, sir. Thank you again for the opportunity. So, my question was on coke. So, where do we get this coke from? This is ex?

Sureshababu Chigurupalli: Yes, coke we get Ultra-Low Phos Coke from Columbia. And we are also getting semi-coke from China. There are two sources.

Manan Vandur: Columbia and China?

Sureshababu Chigurupalli: Yes.

Moderator: Thank you. Next question is from Joe Shah from Sevenses. Please go ahead.

Joe Shah: Thanks for the opportunity. Today morning we had excellent CNBC TV18 interview of our Managing Director. It was very informative. Now, Binoy, I have one question. Now we have signed up 25 years renewable power agreement with Jindal Group. Now at present what price we are buying this renewable power?

Binoy Agarwalla: The power will commence by June 26.

Joe Shah: Yes, I see. Okay.

Binoy Agarwalla: That is in line with our requirement.

Joe Shah: Right. No, but what price we will be paying for this?

Binoy Agarwalla: Sorry?

Joe Shah: What rate we will be paying for renewable power?

Binoy Agarwalla: That is ex-generator bus bar tariff Rs. 3.84 paisa.

Joe Shah: So, that is similar to our thermal power variable cost?

- Binoy Agarwalla:** Yes, at par with thermal variable cost.
- Joe Shah:** Okay, good. Now Prem, one more thing. Do we have any expansion plan for ethanol? Because ethanol demand is going up and government of India is also increasing price and encouraging ethanol production. Do we have any expansion plan for ethanol?
- Prem Khandelwal:** No, we are already putting up one plant, so once that is operational, then we will see what are the nuances in the business, then we will decide.
- Joe Shah:** Now one question for Sandeep. Now South African situation, our MD also mentioned is very bad from power angle, have so many problems and same with the transmit all the logistics. So, nobody is going to South Africa for investment. In the past, in fact, taken bold step of a venture into Indonesian coal mine, which did not succeed, that is a different story, but we had the guts to go to Indonesia. So, can we look for some good chromite mine in South Africa to buy at cheap rate, which will supplement our chrome ore supply for the ferrochrome production? Do we have any such plan? Are we exploring this opportunity?
- Prem Khandelwal:** No, I don't see any opportunity there because we have enough ore here itself. And we have enough plant to expand our capacity in India. So, no point in going outside and exploring opportunities there, because it's an unknown terrain. And I don't know whether any lucrative mines will be available there. In the past also, we scouted throughout the world and nothing good was available. So, again unnecessarily wasting time and money I don't think is proper there.
- Joe Shah:** Sure. And I think our quality of chrome ore and lumpy chrome ore is much better than South Africa's chrome ore?
- Prem Khandelwal:** Yes.
- Joe Shah:** And price is also much more attractive. Our cost of this product is about 9000 which is quite less than \$200 USD price of South Africa today.
- Prem Khandelwal:** Yes.
- Joe Shah:** Okay, thank you.
- Moderator:** Thank you. The next question is from Divya Agrawal from Ficome Family Office. Please go ahead.
- Divya Agrawal:** Thanks for taking my question. So, my first question is what is the reason for the softening in ferrochrome prices and what are the nature of steps taken to counter the impact of this softening ferrochrome prices?

Sureshbabu Chigurupalli: The prices basically impacted by the Chinese steel consumption. They have oversupplied the steel in this quarter. So, now they are diluting their steel stocks. So, that is the main reason there was no consumption for the ferrochrome. So, many of these smelter states of China is in under pressure and they are operating at lower capacities.

Divya Agrawal: And what are the steps that are we taking to impact this, to safeguard us from this softening chrome prices?

Sureshbabu Chigurupalli: See, we have an integrated model of operations. So, we have an impact, but because of our integrated model and also the depreciation rupee is helping us to absorb those shocks.

Divya Agrawal: Okay. Secondly, what is the cost structure differential between the non-integrated producers and IMFA given your comments on the current conditions which are unsustainable for non-integrated producers?

Sureshbabu Chigurupalli: Non-integrated producers by buying ore and power, the cost of the production comes around 109 to 110, that is 1,10,000/-. Whereas IMFA, cost of production is around...

Prem Khandelwal: EBITDA cost Rs.77000/-.

Divya Agrawal: Okay, sir. Got it. And, thirdly what do you think of the ferrochrome prices, will this improve from here on and can you list some specific factors to back this up based on the demand in supply dynamics going on into the market?

Sureshbabu Chigurupalli: See, we are expecting the ferrochrome prices will be an uptick from the first quarter of the coming year and maybe the latter part of this quarter. So, already the prices are bottomed up, same prices roll over in this month and also for February.

Divya Agrawal: But sir what gives you the confidence that there will be an uptick in the prices?

Sureshbabu Chigurupalli: Because there is no drop in the Chinese prices in the last month. So, generally the free fall is stopped and there roll over happened with the same price. So, that there is a sustainable, it is not a tenability to operate at these levels. So, we are anticipating there will be a reverse of the prices.

Divya Agrawal: And lastly, what are the latest set of data points from China which we should be watchful for given your comments on poor economic data from China?

Sureshbabu Chigurupalli: In this year, they have made the 5% growth as per the annual target and similar level of expecting in the coming year also. But of course, the vacations will be over in this month. So, the positive turnover may be anticipated from March onwards. This quarter is more of wait and watch quarter for China.

Divya Agrawal: Thank you, that's all from myself and all the best.



- Moderator:** Thank you. Before we take the next question, a reminder to participants that you may press “*” and “1” to join the question queue. The next question is from Rajesh Agarwal from Moneyore. Please go ahead.
- Rajesh Agarwal:** Sir, I always track Jindal Stainless’ cost of ferrochrome, but this quarter their cost has not fallen down. So, why our realization has come down if you take a mixture of spot and long term?
- Prem Khandelwal:** No, we can't comment on JSL here, Rajesh.
- Rajesh Agarwal:** Okay, generally the difference is Rs. 5000 per ton, but this time it is Rs. 10,000 per ton. Their cost was 1,07,000 and our realization is around 96,000. So, I think trying to **0:25:30**__ always Rs. 5000 per ton.
- Prem Khandelwal:** No, I don't know. No, we can't compare in that manner. I don't know how they are accounting, what they are doing.
- Rajesh Agarwal:** The spot prices is the lower or the long-term prices which we entered is lower, contract?
- Prem Khandelwal:** Sorry, come again, spot price?
- Rajesh Agarwal:** Because we have a mixture of both spot and long term, how much is long term as percentage?
- Prem Khandelwal:** Long term percentage is roughly around 60%.
- Rajesh Agarwal:** And what was the realization on that?
- Prem Khandelwal:** Realization is around 82 cents. Average realization.
- Rajesh Agarwal:** Average realization, 82 cents comes from how much per ton? Rupee per ton? No.
- Prem Khandelwal:** Rupee per ton it is coming around...
- Rajesh Agarwal:** For the contract I am asking.
- Prem Khandelwal:** So, for this quarter, the average price is coming around 81 cents. So, that comes around 90,000/- , 89 to 90000/-.
- Rajesh Agarwal:** That is the reason. And sir, how much will the volumes go in 25-26? How much capacity will come in on that in the next financial year? Our volumes can go up by?
- Prem Khandelwal:** Next financial year volumes can go up by another 50,000.
- Rajesh Agarwal:** We were able to sell completely.



- Prem Khandelwal:** Yes.
- Rajesh Agarwal:** And sir, why don't we sell in spot if we have a better evaluation?
- Sureshbabu Chigurupalli:** We have a long-term agreement, so our customers have a long-term in nature. So, wherever some part we are available, we are selling at a spot. In our domestic market also, we have an exposure, we have increased our exposure in the last quarter.
- Rajesh Agarwal:** Last quarter, okay. Wherever we get a better price, we can sell in spot also.
- Sureshbabu Chigurupalli:** But we have a much long-term agreement, so that is why whatever the available quantity we are also selling in the last quarter.
- Rajesh Agarwal:** Oh, okay. It is for how many? Yearly contract or two years or three years?
- Sureshbabu Chigurupalli:** Quarterly.
- Rajesh Agarwal:** So, every quarter we have flexibility. If the spot is higher, we can sell in spot.
- Prem Khandelwal:** No, we have mix of contracts, Rajesh. Some contracts are three years, some contracts are five years, some contracts are monthly, one year. So, this is a mix of contracts long term and spot. Prices are determined every quarter, but the contract tonnage and those things are for three years, one year like that.
- Rajesh Agarwal:** But is the demand locally is good? Why we need to enter into contracts?
- Sureshbabu Chigurupalli:** No, there is a constraint in the demand here in the local market. There is a constraint how much you can sell here. It's not that whatever we produce, we can sell the entire quantity in domestic market.
- Rajesh Agarwal:** Okay. But if the demand goes up, then can we sell?
- Sureshbabu Chigurupalli:** Yes, obviously. Then wherever we get better price, we will try to sell there.
- Rajesh Agarwal:** So, that flexibility is there in the system?
- Sureshbabu Chigurupalli:** Yes.
- Rajesh Agarwal:** Okay. Thanks.
- Moderator:** Thank you. Before we take the next question, a reminder to participants that you may press “*” and “1” to join the question queue. The next question is from Saket Kapoor from Kapoor & Company. Please go ahead.



- Saket Kapoor:** Namaskar, Prem sir.
- Prem Khandelwal:** Namaskar, Saket.
- Saket Kapoor:** Firstly, you mentioned about this 50,000 additional capacity which we will be selling. That is the ferrochrome we will be selling in H2. If you could just elaborate on the same?
- Prem Khandelwal:** Yes, we are expecting this Kalinganagar Phase-1 to be operational by April to June next year. And by September, the second furnace. So, both the furnaces should be operational by end of September. So, six months, we should be getting around 40,000-45,000 tons next year.
- Saket Kapoor:** So, sir, for financial year 1st April 2025 to 31st March 26. In that period, we will have this 50,000 additional capacity because...
- Prem Khandelwal:** No, FY27 we are talking about.
- Saket Kapoor:** So, this year it is going to be the same trend which we are executing for this year.
- Prem Khandelwal:** Yes.
- Saket Kapoor:** Next year, we will have 50,000 additional capacity.
- Prem Khandelwal:** Yes.
- Saket Kapoor:** And sir, I also missed this Chinese part of the explanation which sir was mentioning. So, if you could just narrate once again what was the reason for the Chinese smelter feedstock and all? Sir, please could you tell us again?
- Sureshbabu Chigurupalli:** Chinese prices, there was a free fall of Chinese prices from the month of November mainly due to the oversupply of stainless steel. So, the ferrochrome producers are not able to sell their product. And the prices are so low, so it is not enable to continue their smelting operations. So, they are diluting their stock and anticipating that there will be a reverse in the prices in the coming first quarter of the Financial Year '25-26.
- Saket Kapoor:** Okay. And sir chrome ore is the component and also nickel. So, have we seen the same trend? I have not observed the price trend for nickel and all. So, other commodities that go into stainless steel have also behaved in a similar pattern since the output has gone down?
- Sureshbabu Chigurupalli:** Similar tendency in the nickel, but in the coming month, of course, the nickel prices are expected to rise from Indonesia's report we suggests .



- Saket Kapoor:** Sir, couple of question on the P&L side. When we look at our other expenses line item for this quarter, the balance is Rs. 106 crore. And the comparable number for last year was 88. So, any understanding why this increase, what explains this increase?
- Prem Khandelwal :** It's mainly on account of repairs maintenance and outward carriage , I mean the freight cost. Those two things have gone up. That's why the other expenses also gone up from 88 to 104.
- Saket Kapoor:** And Prem sir, the price of freight has also been trending lower with now Donald Trump administration in anvil. Have you seen the spot prices or the freight costs trending lower?
- Sureshbabu Chigurupalli:** The freight costs in the last quarter increased, but now it is softening.
- Saket Kapoor:** Any quantification you can give, additional cost that got debited just because of the higher trade cost on a comparable basis?
- Prem Khandelwal:** You mean in terms of rupee?
- Saket Kapoor:** Yes sir.
- Sureshbabu Chigurupalli:** In fact those breakups are not available now, so we will have to look into that.
- Saket Kapoor:** Sir, now coming to the coking coal part of the story, sir, I think in Australia there are some natural disturbances in the mining activity. So, does that also change the outlook for coking coal going ahead and the pressure on margins can accelerate because of that. What is our thought process on the same?
- Sureshbabu Chigurupalli:** Coke prices, we are actually sourcing from Colombia, and the prices are almost flat for the quarter and the similar prices are we are expecting in the coming quarter also.
- Saket Kapoor:** Okay, sir. And for the coal prices, which we use for power generation, those linkages and prices are constant or what are the trends there?
- Binoy Agarwalla:** Coal prices for power plant will remain the same as Q3 FY25.
- Saket Kapoor:** Okay, and last two points. Firstly, about during this interview and all, there were some thoughts about this inorganic expansion and some exposed means some things on the block by Tata Steel. So, can you explain, does Tata Steel have anything on block for ferrochrome mines or the chromo ore facilities? What is the buzz around, sir?
- Prem Khandelwal:** No, see, we can't comment on the rumors, Saket. So, it's not proper for us to name anybody. So, our expansion plans are on track, and we are going ahead with that. And as we said earlier also, if we get any opportunity in inorganic growth, definitely we will look at that. But nothing reportable at the moment.

- Saket Kapoor:** Right sir. My question was not whether we participate or not. I was just trying to understand. Just like in the case of Balasore Alloy, earlier you said that if there is any asset, we are only interested in your furnace. In that sense only I am asking whether in Tata Steel case also there is some bit of story coming up of what is the effect that Tata Steel is looking because generally Tata Steel does not exit the business in the India segment. So, I don't understand this question, why?
- Prem Khandelwal:** No, please understand how we can comment on the matter of Tata Steel. That is their business outlook. So, we can't comment on that.
- Saket Kapoor:** And lastly sir, Prem sir, this would be the farewell call for you also, next quarter you are retiring from your next... ?
- Prem Khandelwal:** Yes. I think Saunak Gupta is going to take over as CFO from 8th of March.
- Saket Kapoor:** Yes sir. So, will you be there with the organization as a consultant or...?
- Prem Khandelwal:** Yes, I will continue as senior advisor here. Okay. But Saunak Gupta is going to be in Chair from next call onwards.
- Saket Kapoor:** Okay sir, my best wishes to you sir.
- Prem Khandelwal:** Thank you.
- Saket Kapoor:** Good life ahead sir and all the best to the team sir. And sir one point was about in the notes, which was also mentioned...
- Moderator:** Mr. Kapoor, I am sorry to interrupt but may...
- Saket Kapoor:** Yes, I will go come back in the queue.
- Moderator:** Thank you. We will move to the next question. The next question is from Kaushak from Wallfort PMS. Please go ahead.
- Kaushak:** Yes, thank you for the opportunity. Sir, I just want to understand Jindal Stainless has announced a very aggressive expansion plan. So, the ferrochrome that will be required for them, is that available in India currently?
- Prem Khandelwal:** You should be asking that to them, not to us. We can't comment on their business plan.
- Kaushak:** No, but I am just asking from the ferrochrome point of view, is that much ferrochrome available? See, they have announced 1 million tons of capacity expansion. So, the kind of ferrochrome, the

quantum that is required, is available right now? Is that kind of capacity commercially feasible right now in the country?

Prem Khandelwal: Suresh, do you have any idea?

Sureshbabu Chigurupalli: No, at present we are producing less ferrochrome because of the ore concern . Much information at this moment is not available.

Kaushak: Thank you. That's it from my side.

Moderator: Thank you. Next question is from Shubham who is an individual investor. Please go ahead.

Shubham: Hello. Sir, am I audible?

Prem Khandelwal: Yes, Shubham.

Shubham: Sir, first of all, my heartiest congratulations for the results in this difficult quarter. As I understand that the prices were quite challenging. Still, we have been able to maintain our good prices. Sir, my questions are, there are three questions, and the first question is from the mining sector. So, sir, what is our stripping ratio for the chrome which we are extracting and what is the grade of chrome?

Sandeep B. Narade The stripping ratio for the second opencast is 1:3.47. And the grades vary from low to high grade. So, these are high grade...

Shubham: Bifurcate into, what is the grade of high grade and low grade?

Sandeep B. Narade: Low grade is less than 40%. Medium grade is up to 52%. And from 52 onwards, it is high grade.

Shubham: That's fine sir, but what is the average grade which we are producing sir? Average?

Sandeep B. Narade: We are producing in the range of medium grade. So, in general, grade is not taken into percentage and these terms are used low grade, medium grade, high grade. So, we are at average medium grade.

Shubham: And what is the CR by Fe sir?

Prem Khandelwal: Suresh Babu can you say?

Sureshbabu Chigurupalli: Around 3.2 to 3.6.

Shubham: 3.2, sir?



Sureshbabu Chigurupalli: Yes.

Shubham: My next question is like you mentioned that the chrome ore landed cost is 9085. Right, sir? So, sir, what is our specific consumption of chrome ore, sir?

Prem Khandelwal: It is around 2.5 tons per ton of ferrochrome.

Shubham: 2.5 sir?

Prem Khandelwal: Yes.

Shubham: Okay, and sir, you also mentioned that the cost of coke is 14,628/- in the previous answers. So, sir, what is our specific consumption of coke sir?

Sureshbabu Chigurupalli: 0.5 tons.

Shubham: Sir, could not understand. 0.5 tons.

Sureshbabu Chigurupalli: Yes, 500 kg.

Shubham: And sir you also mentioned that you are importing from two regions mainly Colombia and China, so like what is the average percentage which you are using like say what is the percentage of Colombian coke and semi coke sir?

Sureshbabu Chigurupalli: It is based upon the requirement. It varies from 70 to 30, 60-40, Colombian & Chinese Coke

Shubham: Sir, Chinese one is semi-coke, right?

Sureshbabu Chigurupalli: Yes.

Shubham: And sir, like in the next quarter, are we expecting any further reduction in cost like you mentioned that repair and maintenance cost have gone up, output trade has gone up. So, like what is our total? Like you also mentioned that our total EBITDA cost is somewhere around 77, right?

Prem Khandelwal: Yes.

Shubham: 77, 827 in quarter three?

Prem Khandelwal: Yes.

Shubham: What is our tentative expectation from Quarter 4 or Quarter 1 '26 onwards, any reduction in cost?

- Prem Khandelwal:** I think Quarter 4 we are expecting to remain same. And difficult to predict at the moment for Quarter 1 next year.
- Shubham:** Okay. The last question from my side, like, you mentioned that like 60% of the sales, we are doing exports because of our long term arrangement and 40% we are selling?
- Sureshbabu Chigurupalli:** No, we are exporting 90%. Out of that, long term is 60%-70% and balance on a spot basis.
- Shubham:** Okay. So, sir, 90% we are exporting and 10% we are selling in domestic markets. Is that 10% off grade or pure FG only?
- Sureshbabu Chigurupalli:** No, it's proper ferrochrome.
- Shubham:** Okay, so what is the average realization which we are getting in domestic market, sir?
- Prem Khandelwal:** No, we don't have the breakup like that. I can give you the total realization which is around, I said 96,000 earlier, 96,943/- average realization.
- Shubham:** Okay. And sir, what is the grade of ferrochrome which we are selling? Total average grade which we are selling overall?
- Sureshbabu Chigurupalli:** It is 61%-62%.
- Shubham:** Thank you sir and that's all from my side. Wishing you good quarter 4 and onwards.
- Prem Khandelwal:** Thank you.
- Moderator:** Thank you. The next question is from Joe Shah from Sevenses. Please go ahead.
- Joe Shah:** Prem, our best wishes for your new career as an IMFA Advisor. I hope you will also have a very long term with IMFA. My best wishes for you.
- Prem Khandelwal:** Thank you.
- Joe Shah:** And also best wishes for Bijayananda Mohapatra, Saunak Gupta, and also **SR Ray**, my best wishes for you. Now to new team my request is last few days IMFA shareholders have lost lot of money because market cap has gone down very much sharply. So, please see how this market cap can be protected. I know this market operations are not in your hand but still even Finance Minister also stepped in when market crashes , so we are facing the similar situation, so protection of shareholder's value is management responsibility in a way. So, please see what this can be done. And Prem, one more suggestion. Now in my city of Mumbai, every day millions travel by train. Millions of millions of people travel by train. And we don't find anyone wearing this COVID mask. So, COVID is gone now. So, we lost four AGM, physical AGM



because of COVID. Now COVID is no longer there. So, in the coming AGM, we should have physical AGM where people can come and meet New Directors, understand them and view more interaction. So, please consider Saunak, please you also consider this physical AGM for the next, this '25-26, sorry '24-25.

- Saunak Gupta:** Thank you, Mr. Shah. Yes, point noted. We will be looking at that time.
- Joe Shah:** Okay, thank you very much.
- Moderator:** Thank you. The next question is from Akhilesh B who is an individual investor. Please go ahead.
- Akhilesh B:** Good afternoon. Sir, I had a few questions. First one, in our long-term contracts, what is considered as the benchmark price? Which is the benchmark price based on which the pricing is decided?
- Sureshbabu Chigurupalli:** In POSCO, it is around 86 cents.
- Prem Khandelwal:** No, he is asking about what is benchmark price.
- Sureshbabu Chigurupalli:** Benchmark is Tsingshan price we are considering.
- Akhilesh B:** And it gets fixed for the whole quarter, it's fixed for a quarter or how often it changes?
- Sureshbabu Chigurupalli:** No, this changes every month in Chinese price.
- Akhilesh B:** So, when you say that some Chinese prices came down to 75 cents etc. So, that is reflecting in this benchmark and in our realization already?
- Sureshbabu Chigurupalli:** Yes. Already in this quarter we have suffered because of the fall in the prices.
- Akhilesh B:** Okay. And our spread on this benchmark with the customers are renegotiated every year or the spread is also fixed long term like 3-5 years, etc.
- Sureshbabu Chigurupalli:** No, we have quarterly negotiations of prices with South Korean POSCO and others are based on the quantities decided for the year, but this price is based on the benchmark.
- Akhilesh B:** I got the benchmark part, but your spread on the benchmark whatever this plus and also this is a ex-box price or or freight also is fixed for the whole quarter or for the whole month?
- Sureshbabu Chigurupalli:** This is FOB prices.
- Akhilesh B:** FOB prices. So, if freight goes up or down, it's not affecting our profitability if freight is going up or down?



Sureshbabu Chigurupalli: Yes.

Akhilesh B: And sir, today with our current production capacity, what would be our global production share of ferrochrome?

Sureshbabu Chigurupalli: You are asking at what level we are there?

Akhilesh B: No, in ferrochrome capacity today. So, what is our global production market share? That's what I want to know.

Sureshbabu Chigurupalli: So, this is around approximately 19 million of production.

Akhilesh B: Prem sir, your voice is cutting actually. Not clear.

Sandeep B. Narade: I think the global production is going to be faster.

Akhilesh B: Sir, your voice is not clear. I am not sure if it is clear to moderators or others. Prem sir's voice is not clear.

Moderator: Mr. Khandelwal, we can't hear you very clearly. Your voice is breaking.

Sureshbabu Chigurupalli: Sir, the global production you are asking, how much is the global production? It is around 19 million tons.

Akhilesh B: 19 million, so we are around 3% of global production. Got it. And also want to wish Mr. Khandelwal all the best for his future. It was a great pleasure to interact with him on these calls and we will miss his presence. Thank you.

Moderator: Thank you. The next question is from Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: Yes sir, you mentioned about FOB for us, our export part. That means the freight is not being part of line item and I missed that point. As you mentioned that freight costs have been higher and those costs have increased the other expenses. But you were just explaining about free on board also. So, if you could just explain what you were trying to convey?

Sureshbabu Chigurupalli: No, our prices are CIF based, so a freight impact will be there during this export of the material.

Saket Kapoor: Please come again, your voice is not clear. And you are not very much audible.

Sureshbabu Chigurupalli: Our prices are CIF based. So, the ocean freight rise in the prices will impact us. The change in the prices will impact our selling prices.

- Saket Kapoor:** Sir, in the management comments, Mr. Panda mentioned about margins. Further our margins will be bolstered by treasury operations. So, going ahead also sir, I think so quarter-on-quarter our treasury of the other income has remained flattened. How is the treasury book going to behave sir? Where have we invested the treasury money and also what is our cash balance and the CAPEX done for the 9 months?
- Prem Khandelwal:** Saunak, would you answer that?
- Saunak Gupta:** Yes. So, actually in this market also, we are having around Rs. 890 crores of total amount invested in various funds, bonds, and in some extent to the FD. And this is basically the surplus from the business which has come in. And even though the market was down, but still we have by switching in, switching out, the funds we have managed a good return. And if you see that quarter-on-quarter also, we have maintained it. And from there we are getting a good amount of interest and income from the returns of switch in, switch out from the bonds. That actually is adding up to a PAT. So, that's an important point to be noted. And the most important point is that we are debt-free and having almost Rs. 900 crores of total invested amount.
- Saket Kapoor:** And sir on the CAPEX part sir, how much have we spent for the expanded capacity as of for the nine months and how much balance we will be spending for this year? If you could just give the full number?
- Saunak Gupta:** So, as of now, we have invested about around Rs. 150 odd crores. And overall we expect that if I go with actual cash outlay, another Rs. 150 odd crores will be by end of this year, which we will be spending it out.
- Saket Kapoor:** Another Rs. 200 crore cash balance may go down from 890.
- Saunak Gupta:** Yes, that's right, it will go down by Rs. 200 crores from that balance that we have in the investment amount.
- Saket Kapoor:** Right sir. Thank you sir and all the best.
- Saunak Gupta:** Next year, the maximum amount of cash outlay will happen for the Kalinganagar project.
- Saket Kapoor:** And next year sir, what will be the out lay, how much you will be spending?
- Saunak Gupta:** So, next year, we are expecting somewhere around Rs. 450 crores to Rs. 500 crores in the cash outlay.
- Saket Kapoor:** Okay sir, and if we take this 9-month cash generation sir, how much have we generated for this 9 months? Net of taxes?
- Saunak Gupta:** So, for 9 months ended around Rs. 370 odd crores we have generated this.



- Saket Kapoor:** Thank you sir and all the best to the team.
- Prem Khandelwal:** Thank you, Saket.
- Moderator:** Thank you. Next question is from Divya Agarwal from Ficom Family Office. Please go ahead.
- Divya Agarwal:** Hi sir, just want a clarification, what is the benchmark that we monitor for the long-term contract? I was not able to clearly hear that. Can you explain that?
- Sureshbabu Chigurupalli:** We follow **Tsingshan** benchmark. So, that is monthly rollovers and for POSCO, every quarter, we have a benchmark.
- Divya Agarwal:** Sorry?
- Sureshbabu Chigurupalli:** For POSCO, every quarter we negotiate based on the benchmark of the Chinese Steel and also the existing market. So, right now, it is 75 cents in the Chinese benchmark. So, for the Chinese market, it is 75. For POSCO, it is around 84 cents.
- Divya Agarwal:** Okay, sir. Got it. Thanks.
- Moderator:** Thank you. Next question is from Shubham who is an individual investor. Please go ahead.
- Shubham:** Hello, sir am I audible properly?
- Prem Khandelwal:** Yes, Shubham.
- Shubham:** Sir, there are couple of questions. So, my first question is on the O&M cost. So, what is the overall O&M cost for our quarter?
- Prem Khandelwal:** I didn't get you. O&M cost for what?
- Shubham:** O&M cost for our smelter or whole IMFA level? Total operations and maintenance costs?
- Prem Khandelwal:** No, we don't have such kind of breakup here. What kind of cost you are looking for? I mean, your fixed cost or...
- Shubham:** Sir basically our contractual manpower cost. Contractual manpower for running the plant.
- Prem Khandelwal:** Contractual? No, we don't have those kind of breakups.
- Shubham:** Okay, and sir, I wanted to understand the specific consumption of our electrode also because this is one of the key consumable for making the ferrochrome. Specific consumption of electrodepaste .



- Prem Khandelwal:** Suresh, do you have that number?
- Sureshababu Chigurupalli:** Yes. It is around 14 kg to 16 kg.
- Shubham:** Okay. And sir, what is the specific consumption of furnace oil or LPG for producing the Briquette ? On an average also will help, sir.
- Prem Khandelwal:** So, these are to be asked separately by way of mail. I think these things are very minute numbers. We don't keep those numbers.
- Shubham:** Okay. Sure sir. Thank you.
- Prem Khandelwal:** Get in touch with us through e-mail for all these questions.
- Shubham:** Sure. Okay. Thank you.
- Moderator:** Thank you very much. We will take that as the last question. I would now like to hand the conference back to Mr. Abhishek Savant for closing comments.
- Abhishek Savant:** Thank you, Rayo. While Q3 FY25 presented short-term headwinds, IMFA remains fundamentally strong with a resilient operational framework and a positive long-term demand outlook. As the global stainless steel market recovers, our strategic initiatives and cost-efficiency measures will drive sustained growth. We appreciate the continued support of all our stakeholders and remain confident in delivering long-term value. On behalf of the Board of Directors and Management, we thank you all for your participation in this call. Have a good day.
- Prem Khandelwal:** Thank you.
- Moderator:** Thank you very much. On behalf of Indian Metals and Ferro Alloys Limited and Veritas Reputation that concludes this conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.