

To, प्रबंधक/The Manager बीएसई लिमिटेड/BSE Limited, फीरोज जीजीभोय टावर्स/ Phiroj Jeejeebhoy Towers, दलाल स्ट्रीट/Dalal Street, मुम्बई/MUMBAI- 400 001 स्क्रिप कोड/Scrp Code: 532234	To, प्रबंधक/The Manager अनुसूचन विभाग/Listing Department नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लि., National Stock Exchange of India Ltd., एक्सचेंज प्लाजा, बांद्रा-कुर्ला कम्प्लेक्स, Exchange Plaza, Bandra-Kurla Complex, बांद्रा ईस्ट/Bandra East, मुम्बई/MUMBAI-400 051 प्रतीक/Symbol: NATIONALUM
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विषय: 08.08.2025 को आयोजित आय सम्मेलन कॉल की प्रतिलेख।

Sub: Transcripts of the Earnings Conference Call held on 08.08.2025.

श्रीमान/Dear Sir,

Further to our letter dated 08.08.2025 and pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, enclosed please find the **transcripts of the Earnings Conference Call held on 08.08.2025** for discussions on Company's business and outlook post declaration of Unaudited Financial Results for 1st Quarter ended 30th June, 2025.

Neither any Unpublished Price Sensitive Information (UPSI) was shared during the aforesaid Earnings Conference Call nor is mentioned in the enclosed transcripts.

This is for your information and record.

धन्यवाद/Thanking you.

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

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

Encl.: As above

नेशनल एल्यूमिनियम कम्पनी लिमिटेड
(भारत सरकार का उद्यम)
निगम कार्यालय
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National Aluminium Company Limited

Transcripts of the Earnings Conference Call held on 08.08.2025

MANAGEMENT: Shri Brijendra Pratap Singh, Chairman-cum-Managing Director
Shri Pankaj Kumar Sharma, Director (Production)
Shri Jagdish Arora, Director (Projects & Technical)
Dr. Tapas Kumar Pattanayak, Director (Finance)
Shri Abhay Kumar Behuria, Director (Finance)
Shri Srimanta Panda, EPO-ED (Finance)
Shri Bharat Sahu, Company Secretary

Ms. Shweta Dikshit, Systematix Group: Good morning everyone. On behalf of Systematics Group, we welcome you to the 1Q-FY26 Earnings Conference Call of Nalco Ltd. We are joined today by Mr. Brijendra Pratap Singh, CMD and Director (Commercial) and other Functional Directors of the company along with Mr. Bharat Sahu, Company Secretary, to discuss the company's financial and operational performance for the 1st Quarter-FY26.

I would like to thank the management for giving us an opportunity to host this call. At the end of the presentation, we will open the floor for questions and participants can raise their hands if they wish to ask a question. Now I request Mr. Bharat Sahu for his opening remarks and introduction of the management team. Over to you Sir.

Shri Bharat Sahu, Company Secretary: Thank you ma'am. Greetings from National Aluminium Company Limited to all our esteemed investors.

We had a Board meeting yesterday to consider and approve the Q1 25-26 results. The result is already out. And thank you Systematics Group for arranging and hosting this post-earning conference call.

Before we start, let me have the privilege of introducing our management team, the Functional Directors. Anticlockwise sitting extreme is Shri Srimanta Panda, our EPO-ED (Finance). Sitting next to him is our Shri Abhay Kumar Behuria, Director (Finance).

And next to him is Shri Jagdish Arora, Director (Projects and Technical). Sitting in the middle is our CMD and Director (Commercial)-Addl. Charge, Shri Brijendra Pratap Singh. Sitting next to him is Shri Pankaj Kumar Sharma, Director (Production) and sitting just next to me is our Director (HR), Dr. Tapas Kumar Pattanayak.

And before taking any further time, first we'll have a brief presentation about the Q1 results, and then we'll invite our esteemed participants to come forward with their questions. Now I'll request my colleague Shri Subha Brata Purohit to have the presentation please.

Shri Subha Brata Purohit, DGM (Mechanical): Thank you sir. Good Morning to all. Welcome to you all to this Earning Conference Call for Q1. So, the results of Q1 have been published yesterday, and it's another quarter of strong results shown by the company.

Now we'll go through the presentation. The agenda of the presentation is similar to the earlier presentations. We'll look at the company update, then we'll go to the physical performance, the financial highlights, then we'll touch upon a little bit on the industry outlook, we'll see the physical highlights of the company, and the ESG performance of the company as well.

So, NALCO is a Navratna CPSE with Govt. of India holding is 51.28%. It represents bauxite, alumina, aluminium power core complex in the country, and it is a global leader in producing bauxite and alumina at the lowest cost. We are the lowest cost producer since about seven to eight years. We have been continuously rated as the lowest cost producer in bauxite and alumina.

Our assets, bauxite and refining assets are at Damanjodi. It's 7.5 million we are producing right now bauxite as per the requirement of our refinery. Our refinery capacity is currently 2.1 million ton. Then, our Smelter and CPP assets are at Angul, again in the State of Odisha. We have also recently started operating our Utkal D&E Coal Mines in January of 2025. Our combined capacity of 4 million ton started.

Then we have a dedicated facility at Vizag Port for export of alumina and metal and import of products. We are also having four wind power plants of total 198 MW capacity in Rajasthan, Maharashtra and Andhra Pradesh.

Now coming to our physical performance in Q1, we have been operating at almost about 100% capacity, but still we are improving our productivity and still registering higher

production quarter by quarter. So, if you see in case of Bauxite, we have achieved 6.6% growth against corresponding quarter last year. In case of Alumina Hydrate, there has been a significant jump of 35% against Q1 due to base effect. Then in case of metal, we have achieved 3% growth and power also 6% growth.

If you come to sales also, in case of Alumina, we have achieved significant jump. This is partly due to base effect as Q1 sales were a little bit less. And in case of metal also, we have achieved growth of 9%.

Here I would like to mention also that in case of domestic sales of metal and alumina, in both cases we have achieved highest ever sales for Q1 of any particular year. And if you see the run rate also, we are exceeding our past year productions. So, in case of Alumina, we are running at a run rate of around 23 lakh ton. Aluminium we are running at 4.6 to 4.7 lakh ton and Bauxite also around 76 lakh ton.

Now coming to the financial performance. In the last quarter, the Q4 of 24-25 it was a record breaking performance of the company in the last quarter and the last financial year as well. In Q1 also, the company has shown very strong performance in its results. We can see there is growth of 33% in the revenue and also the PAT has registered growth of 77% against the corresponding quarter of last year. The company has also recommended Final dividend of Rs.2.50 per share in its last Board meeting.

Now coming to the industry outlook. The LME price... (inaudible). There was a downfall in April-25 when LME price fell down to \$2,380 per ton because of the tariff announcements by US President. Since then, the LME price has recovered and it has reached to about \$2,560 per ton. The LME price going ahead are likely to be impacted by the tariff developments, which are still uncertain.

Though the 90 days period has elapsed, but still there are lots of negotiations to go and the tariff rates are far from over. So, the developments, the LME price also will depend on the latest developments on the tariff of US announcements. Then there are new starts in aluminum refining and smelting capacities, primarily in Indonesia and India.

Then, of course, there is rising oil prices and increase in US dollar index recently. The LME price normally moves inversely with the rising oil prices and with the rising dollar index actually, the LME price moves intensely. So, the LME prices will be impacted and there is disruptions in the bauxite supply also.

Guinea has cancelled some licenses specifically for bauxite mining. In Ghana also, there is one lease where the license was cancelled. So, for developments in these sectors, the LME price will also be impacted.

Now, coming to the global GDP growth, earlier in April 2025, IMF has projected 2.8% growth. But this time in July 2025, the tariff-related developments have settled a bit as per IMF and they have projected a growth of 3%, which others were for the aluminum sector as well, because aluminum consumption is almost proportional to the growth of the

country as well as the globe. So you can see in July 2025, the IMF has projected that there will be 3% growth for the year 2025 and 3.1% growth for the year 2026.

Coming to the alumina sector, the alumina supply was a bit of downside on the last year, but the supply has improved recently and we can see the difference between production and consumption, it is coming a little bit on the surplus side. The alumina prices are also moving accordingly. Coming to the aluminum sector, in the aluminum sector, there is growth, there is a little bit of deficit on the quarter to quarter basis and on the year estimation for the annual also, there is a little bit of deficit side. So the aluminum sector is also dependent on the latest capacity additions. We all know that the capacity at China is capped at 45 million tons currently. So currently China is almost about receiving 43-44 million tons. So the supply side will be limited to that. So in the H2 of this year and the next future years, the LME prices are likely to stay strong.

Now, if you look at the domestic scenario, our country is still the fastest growing economy in the world. Recently, RBI has said that for this year, we are projecting at 6.5% growth. For the next year, 6.7% growth. The country is aiming to be the “Viksit Bharat” by the year 2047. So to reach a 30 trillion economy by 2047, the growth rate needs to be more than 7%, which against others were for the aluminum industry in the country. If we see the aluminum consumption pattern, currently the electrical sector is having the largest chunk in the aluminum production. It is having around 48% share and transportation and building and construction sector comes next.

So as the country's GDP growth rises, there will be definitely growth in this sector. And recently, our Ministry of Mines has published a vision document on aluminum, where they have predicted aluminum consumption will reach about 8.5 billion tons by 2030. So there is lots of scope for improvement of demand in the country.

And if you see the Indian aluminum scenario also, the growth rate is about 9%. The aluminum consumption growth is around 9%. And also, there is growth in the production.

So the sector is a booming sector in the country. And the primary producers are also adding capacities to their plants. So this is going ahead well in the future.

If we come back to NALCO, NALCO's strategy is it's an integrated operation. We are integrated with our bauxite mines, our aluminum refining capacity, our power plant, then also we are doing our own captive coal blocks. The company is a zero-debt company which gives leverage to all our upcoming projects, our smelter and power projects, which will require a huge investment.

So the zero-debt position will help the company to fund itself. We are also having raw material security in case of caustic soda. We are having a JV Company with GACL, which is supplying caustic soda to the company.

Then our refinery capacity is going ahead. The smelter capacity also is from the pre-project stages at the moment. If you see our potential plants currently going ahead, the bauxite mines, we are currently running at 7.5 million tons.

And we have already signed the lease deed for Pottangi bauxite mines, which will be operated by this year-end or by quarter one of next year. So, our capacity will increase by 3.5 million tons. Then we are going ahead with our 5th stream refinery expansion, which will increase the capacity by 1 million tons.

The mechanical completion is targeted by this financial year end. And the execution is currently on fast-track mode. We are reaching around 74% to 75% progress, physical progress, in this refinery expansion.

For aluminum smelter and captive power plant, these are at the pre-project stages. And the plants are likely to come, by financial year 2030.

Now coming to the environment part, the company is recognized for its works in the environment management. Our bauxite mines are rated as 5-Star mines. Recently, we are operating two bauxite mines regions, Central and North Block and South Block at Panchpatmali Mines. Both these bauxite mines have been recently rated as 5-Star rating.

We are putting equal emphasis on plantation, restoration, advanced pollution control measures, and biodiversity protections. We are also certified with all the international management certification like ISO 14001, ISO 50001, ISO 9001 and like. And also, we are operating 198 MW wind power plant. We are also utilizing our rooftop solar places. Currently, the capacity is 1020 KW power and we have planned to add 7 MW rooftop solar in the future.

We are also equally responsible to the society we are working in. We have identified important sectors where we are working. The company is working at Damanjodi and Angul.

Damanjodi is one of the most tribal resided population. So, we are focusing on education where we have some flagship schemes like Indradhanush where we are sponsoring students, tribal students mostly to reputed residential schools. We have also a scheme of Nalco-ki-Ladli which is in line with Government of India's "Beti Bachao, Beti Padhao" movement where we are providing financial assistance to the girls of various families.

In case of health care, we are operating Mobile Healthcare Units. Eight numbers of mobile health units are in operations currently at Angul and Damanjodi and also Pottangi where we are serving to people of 250 peripheral villages. And we are serving more than 100,000 patients annually. Also, we are operating one OPD facility at Angul where we are serving 18,000 patients annually.

For women empowerment, we are having Self Help Groups like Sakha Foundation for earning and livelihood support.

Then, there are lots of works on peripheral development. Also, we have adopted the Puri Jagannath Temple and surrounding areas development works. So, these are all the areas where we are working as per our social objectives.

Our corporate governance, the company is a Government of India company. So, we are maintaining all our statutory requirements. There are 10 board level committees. We are having 17 board policies and guidelines. We have been rated as 'very good' in the financial year 2024-25. Also, we have been recognized for our fair treatment to investors, our dividend policies, and transparency in our reporting.

So, thank you all. My presentation is over now. Thank you.

Shri Brijendra Pratap Singh, CMD NALCO: Thank You....

Shri Bharat Sahu, Company Secretary: Yes. Ma'am, we have already made a brief presentation on the Q1 as well as the different activities of the company. Now, we may allow our esteemed participants to come forward with their questions to the management, please.

Ms. Shweta Dikshit, Systematics Group: Thank you, sir. We now open the floor for questions. Anybody who wishes to ask a question can indicate that by raising the hand icon button.....

So, till then, I will proceed with a couple of questions from my side. So, first question would be the status of the alumina refinery and what is the status, what is the progress and when are we now expecting the commissioning to happen and post that, what is likely the ramp-up plan and what can be the expected volumes post commissioning in FY27 and 28?

Shri Brijendra Pratap Singh, CMD NALCO: As far as refinery is concerned, first of all, a very good morning to all, to you and everyone connected here. Very good morning to all and congratulations to all for the wonderful performance of NALCO in Q1.

As far as your question is concerned, for 5th stream refinery expansion, whatever commitment we have given earlier that we will be starting the commissioning, all mechanical jobs will be completed may be by March, 26 and we will try to start all commissioning thing after that and try to start the production by June, 26. That is the commitment we have given earlier also and we stand by it. Progress in the site is good.

All the packages are working well. So, when this refinery comes, may be we start the commissioning and production in June, 26. So, next financial year, we are hoping we will be producing at least 50% of the total capacity because initially the production will be less, may be around 5 lakhs to 6 lakhs to the 10-lakh capacity line. We will be producing around 5 lakhs next financial year, that is 26-27. After that, it will go to the rated capacity of 10 lakhs.

Ms. Shweta Dikshit, Systematics Group: And Sir, what is the number that you can see from the existing alumina like you were earlier? We are seeing growth in alumina sales. So, from the existing one, what kind of capacity utilization are you expecting on the existing capacity?

Shri Brijendra Pratap Singh, CMD NALCO: Existing capacity, almost we are over utilizing. Our production capacity of alumina is 22.5 lakh ton around, around 22 lakhs ton or 22.5 ton lakh. This year, we are planning to do more than that, maybe 23 lakhs ton we will be doing. So, we will be doing 100% of the rated capacity of the existing line, more than 100%.

Ms. Shweta Dikshit, Systematics Group: Understood, sir. Thank you. We will take your questions now. We have first question from Amit Murarka from AXIS. Amit, please go ahead with your question.

Shri Amit Murarka, Axis: Yeah, hi. Thanks for the hosting the call and the opportunity to ask the question. So, on alumina, generally like we have been reading that the US, Russia are engaging for de-escalation of the current situation in Ukraine. And that could prompt the removal of the export kind of restrictions on Russian alumina.

So, how do you read the situation? What's your expectation of Russian alumina coming back to the market? Because I believe that could kind of, that could create maybe an overall supply situation. So, just wanted some view on that.

Shri Brijendra Pratap Singh, CMD NALCO: As far as Russian, you're talking about Russian alumina or aluminium?

Shri Amit Murarka, Axis: Yeah, like alumina as well. Both rather, but yeah, like.

Shri Brijendra Pratap Singh, CMD NALCO: I don't, I don't think Russia have excess of alumina is there. Of course, aluminium is there. Aluminium which they were sending to Europe. Europe is already has imposed the sanctions on Russia. So, Russian aluminium is not able to go into the European market. And with the Indian Prime Minister signing a free trade agreement with UK, a lot of opportunities are there with Indian aluminium industries to go into the UK market. Because UK market is again, market where there are a lot of potential for increase in EVs, solar panels, and other where usage of aluminium will be there. So, that will be a boost for Indian aluminium industry as far as UK is concerned.

As far as US tariffs are concerned, again, that is a concern area. US tariff increased to around 50% from 25%. But our aluminium, which is especially from Nalco, we are not exporting any of the aluminium as of now. We are most, all aluminium is getting consumed in the domestic market. So, Nalco will not be affected by that.

Of course, Vedanta was exporting aluminium to USA. So, that may come down if the tariffs is going to remain at the 50% level. But still, the demand is there in US also. So, they might go in taking aluminium with the higher prices also.

Shri Amit Murarka, Axis: All right. So, specifically on Russian supplies, like how much supply would have been impacted of aluminium, let's say, if you have any number in your mind.

Shri Brijendra Pratap Singh, CMD NALCO: Russian supplies of?

Shri Amit Murarka, Axis: Aluminium in the global markets.

Shri Brijendra Pratap Singh, CMD NALCO: Russian supply of aluminium to the global market? I don't think I have the figure right now. We'll have to check what amount of aluminium Russia is exporting. Russia is, what he is asking is alumina. Aluminium, Russia was exporting.

Shri Jagdish Arora, Director (P&T): So, aluminium, they have around 1.3 million ton. Total 4 million, they were not producing it. They have reduced it to just half a million tons they had curtailed. And they are not the lowest cost of producers. The lowest cost of producers are EGA or this Emirates Global and Bahrain. They will be the first sufferers.

This aluminium trade, anything which is coming down from America, they are the most supplier to America. They were supplying 100% to America. So, they will be the first sufferers. Bahrain and EGA. This is Dubai-based company.

Shri Amit Murarka, Axis: And secondly, on the coal supplies of your captive coal mining, I think you mentioned that the 4 million ton has started. So, how much would you have produced in Q1 of the captive mines?

Shri Brijendra Pratap Singh, CMD NALCO: Q1, almost at the rated capacity we are producing as far as our targets are there. And this year, we will be doing around 4 million ton, we will be completing.

Shri Amit Murarka, Axis: Okay. So, during monsoon, then you don't anticipate any issue around with coal supply, right? I think earlier in earlier years, we have seen some...

Shri Brijendra Pratap Singh, CMD NALCO: No, no. That is not there. That is not there. No supply disruptions are there. We have a sufficient stock of coals in our power plants and in mines also. Mines also, we are having sufficient stocks.

During monsoon, some interruptions in the production is there. But the dispatches, the transportation from mines to our power plant, that is going as per requirement because we have sufficient stock in the mines.

Shri Amit Murarka, Axis: Sure. Thank you so much. I'll come back later in the Q&A.

Shri Brijendra Pratap Singh, CMD NALCO: Okay. Thank you.

Ms. Shweta Dikshit, Systematix Group: Thank you. We'll take the next question from Kartikeya. Kartikeya, please unmute yourself and go ahead with your questions.

Kartikeya: Hi, am I audible?

Ms. Shweta Dikshit, Systematix Group: Yes, you're audible.

Kartikeya: Thank you for the opportunity. So, I actually missed a couple of points from the starting. So, I just wanted to understand what are the timelines for the new bauxite and alumina, bauxite mine and the alumina refinery? And like, what's the cost of production in the alumina refinery we are expecting?

Shri Brijendra Pratap Singh, CMD NALCO: So, as far as bauxite mines is concerned, we are planning to, already tender is out for MDO and we are planning to start the mines somewhere, may be February, March, 26. Latest by June, 26 we are planning, but we are early with our all dates. May be latest by May, June, 26, we'll be starting the bauxite mines, Pottangi mines.

And alumina refinery 5th stream, I already said, we are planning to start the commercial production from maybe June, 26 onwards. As far as cost is concerned, cost of the alumina produced in this new, our new 5th stream refinery expansion, that will be almost similar to the cost which we are producing now. Because, of course, interest is not there. We are not taking any loan for that. Depreciation will be loaded, but that will be made offset by the industry technology. It is a better technology where the caustic soda consumption will be on the lower side, manpower will be on the lower side, overall manpower, because here in a single line, we will be producing around 10 lakh tons. Now, with four lines at present, we are producing 20 lakh tons. So, that advantage of the volume will be getting with a lesser manpower because manpower is the most costliest thing, which is our fixed cost, as far as fixed cost is concerned.

So, cost will be almost similar kind of, as far as what we are incurring now, as far as alumina is concerned.

Kartikeya: Okay, sir. And just, I wanted to know, what was the alumina realization for this quarter?

Shri Brijendra Pratap Singh, CMD NALCO: Alumina realization for this quarter was around \$35,000. It was around \$400. \$416 dollars average.

Kartikeya: Okay, sir. And, sir, just another question, like, what drove the other expenses for this quarter? The other expenses are quite high. So, I just wanted to understand.

Shri Brijendra Pratap Singh, CMD NALCO: Other expenses, of course, what you are telling is Rs.707 crores is on the higher side. This may, I think, RPO obligation is on the higher side. You can just deliberate on that.

RPO, my Director (Production), or maybe my ED (Finance), we had some RPO obligations, as far as renewable power is concerned, which cost us around 70 to 75 crores. That was

the additional cost, which we paid, because the norms, government norms have changed. We have to have 30 percent...

Shri Pankaj Kumar Sharma, Director (Production): Basically, our core project is basically, so we are having our RPO obligation of around 3 percent of our electricity consumption. But now, due to the Ministry of Power guidelines for year 2024-25, we are bound to have obligation of around 29.4 percent for the year 2024-25, and 33 percent for the year 2025-26. So, in that connection, we have purchased this e-certificate for around Rs.75 crores for the year 2024-25. That has increased the cost.

Shri Brijendra Pratap Singh, CMD: And some program...

Shri Srimanta Panda, ED (Finance): There is increased attribute in repair maintenance and the coal transportation cost to captive coal which was 7.2 lakh in the far earlier now this quarter it is 9.89 lakh. So in our presentation of accounts, the transportation of coal is captured in the other expenses not in power and fuel. So that also has added to around Rs.10 to Rs.12 crore. So, these are the major things and little bit of in CSR expenses and RPO obligation. Then the general administrative expenses increase by around Rs.8 crores.

And due to higher volume movement of alumina from refinery to smelter, there is an increase in transportation cost also and a higher export of alumina also that has increase selling distribution expenses.

Kartikeya: Okay. Thank you, Sir.

Shweta Dikshit, Systematics Group: Thank you.

Shweta Dikshit, Systematics Group: We'll take the next question from Aditya Welekar. Please go ahead.

Aditya Welekar: Yeah thank you. Am I audible?

Shweta Dikshit, Systematics Group: Yes you're audible. Please go ahead.

Aditya Welekar: Yeah. So just on the 5th stream of alumina refinery, what kind of means in the last call you have guided on volumes of 5 lakh ton from that in FY27. So we are keeping it that guidance unchanged correct?

Shri Brijendra Pratap Singh, CMD: Yes. Yes. In FY27 we'll be aiming for five lakh tons from that because if you are able to start in June, 26 that much volume we will be getting. Yeah. 9 months will be there. Three quarters. It is a 10 lakhs capacity. Three quarters minimum five lakhs we should go.

Aditya Welekar: And just related to that so once the plant stabilizes what kind of utilization can we expect post the full ramp up?

Shri Brijendra Pratap Singh, CMD: Actually, initially if you start in June, 26 initially some utilization will be on the lower side but slowly maybe within next 6 months we'll be trying to take it to the rated capacity of 10 lakhs tons. It will take may be 3 to 6 months but since it is only a chemical plant, chemical process plant so it will not take a lot of time. That's why we are taking five lakh tons for financial year 27.

Aditya Welekar: Understood sir. just on few numbers in the last call we have given alumina sales volume guidance of 12.8 lakh tons, out of which 12.3 are exports. So those numbers are also unchanged right?

Shri Brijendra Pratap Singh, CMD: This year you are talking for this year?

Aditya Welekar: Yeah. FY26 this year.

Shri Brijendra Pratap Singh, CMD: This year, that will increase. Our exports will increase, whatever we have done last year. Last year we have done around, shipment if you talk in terms of shipment-36 shipments. This year we are planning for maybe 41 or 42 shipments. That will increase by may be five shipments. Because we are increasing the volume, overall production volume will increase.

Aditya Welekar: what will be that sir? Total production volume guidance for this year...?

Shri Brijendra Pratap Singh, CMD: Last year, Calcined Alumina we have done around 20.7 lakh tons, this year we have planned for 22.5 lakh tons. But we are aiming, we'll be achieving around 23. Maybe around two or two and a half lakh tons more of production will be there. So, in domestic market we are also increasing our presence. Last year we have, sold around 40,000 in the domestic market. This year we are planning you will be selling around maybe 1 lakh or 1,20,000 in the domestic market and the rest will go to the exports. So export maybe around 1 lakh or 1 lakh 50,000 will increase.

Aditya Welekar: Okay. So total sales volume will be 12.8 lakhs total.

Shri Brijendra Pratap Singh, CMD: It will be it will be around more than 12.5 lakhs. 12.5 or 12.8 lakhs.

Aditya Welekar: Understood. Sir, my last question is on that brownfield smelter of 0.5 million ton. Any progress on the DPR? we said that we can file a revised DPR.

Shri Brijendra Pratap Singh, CMD: As far as brownfield expansion of smelter is concerned, already DPR preparation activities we have started. For DPR preparation we have to have a Consultant. Already appointment of consultant we are doing, within may be next 2 months or 3 month, we'll be having consultant 2 to 3 months, and they will be there for preparing the DPR we are planning next maybe 7 to 8 months we will be ready with the DPR to take it to the Board for the approval. That is the timeline? our Director (Project & Technical) is here, he will further clarify.

Shri Jagdish Arora, Director (Projects & Technical): Yes, for this month or this financial year, we'll complete all the DPR preparation and all the activities and one good thing is that the land acquisition which was held up that has taken shape and we have completed all the formalities of land acquisition and now the final stage of land acquisition is taking place. So which we'll be completing in another 4 to 6 months and by this time our all the preparation would be ready. So next financial year we'll start the tendering process and on-boarding the parties.

Aditya Welekar: Understood sir. Thanks a lot. I'll get back in the queue.

Shri Brijendra Pratap Singh, CMD: Thank you.

Shweta Dikshit, Systematics Group: Thank you. We'll take the next question from Shrikant Hemant. Please go ahead.

Shrikant Hemant: Yeah. Hi everyone. Can you hear me?

Shri Brijendra Pratap Singh, CMD: Yes.

Shrikant Hemant: Yeah. Hi. This is Shrikant from HSBC. Thanks for the opportunity to ask questions. Three questions for the time being. I'd like to take them one by one. So first one is how much of alumina sales in this quarter were on a spot basis and how much were under long-term contracts?

Shri Brijendra Pratap Singh, CMD: Whatever, we have sold in export market, every month, one shipment is going for long-term and the rest is going on spot. On an average four shipment per month we are doing exports.

Shrikant Hemant: Okay, understood. My second question is on pricing. So for long-term contracts, how is pricing determined? Is it linked to LME aluminium prices?

Shri Brijendra Pratap Singh, CMD: Yes, it is linked to the LME price. In that some percentage is decided. On that percentage it is decided. We do a tender, and on that tender basis whoever the tender is going, giving the maximum percentage on the LME, the order is given on that.

Shrikant Hemant: Okay that's very clear. And third what is management's outlook for alumina and aluminium cost of production and can you just remind us about the cost of production in Q1?

Shri Brijendra Pratap Singh, CMD: As far as cost of production is concerned, I will request my Director (Finance)...

Shri Abhay Kumar Behuria, Director (Finance): So, as far as the cost of production of alumina is concerned and our cost of production is varying around 20 to 21,000. It is not the total cost. So far, the cost of production of alumina is concerned. Our cost of production

is varying between 20,000 to 21,000 and out of that is 60% is our variable cost and balance is fixed.

Shrikant Hemant: Okay and what's the outlook for this year?

Shri Abhay Kumar Behuria, Director (Finance): It will be almost similar kind. We may because of our techno economic performance very good. We expect reduction in our cost because our performance parameter has improved well. The key consumables caustic soda is the other parameter we have a great control over that. So, we expect that our cost will come down at the end of the year.

Shrikant Hemant: Okay this was very helpful. I've got couple more questions but I'll come back later. Thank you.

Shri Brijendra Pratap Singh, CMD: Thank you.

Shweta Dikshit, Systematics Group: Thank you. We'll take the next question from Saket Kapoor. Saket, please unmute yourself and go ahead.

Saket Kapoor: Thank you for the opportunity.

Shweta Dikshit, Systematics Group: Your voice is a little distant. Can you come closer to the mic?

Saket Kapoor: Yeah. Yeah. Yeah. Now am I audible Sir?

Shri Brijendra Pratap Singh, CMD: Yes.

Saket Kapoor: Namaskar to the entire team and thank you for the elaborate discussion we are having sir and we hope for the continuity. Sir, on the value-added product if you could just throw some light, what is our road map going ahead and how will value added sales will contribute? I think so some investment in the Angul park was also envisaged earlier so where are we? what are we going to invest when are we going to see value added contributing to the top line and bottom line? if you could just give us the road map.

Shri Brijendra Pratap Singh, CMD: As far as value added product is concerned, our focus now is increasing the production of wire rods, because wire rod we are producing only around one lakh tons per year yearly. So, we are trying to get one new wire rod mill, so that our whatever Ingot we are selling in the market that we will be able to control and convert into wire rods, that is one target we are taking. Already DPR has been made earlier for that, we are revising the cost estimate and going in for tendering. The whole activity may take around 2 years for the mill to come.

And next is the foil sector – the aluminium foil. That area also we are trying to have some kind of presence where we are going in for appointing one consultant who will be suggesting us what kind of foils to be made, what will be the market and all that. And, very

small investment is required in that maybe around 150 to 200 crores of investment is required. So these are the two areas as far as aluminium metal is concerned where we are targeting next two years or 3 years, 2 and a half years we should have presence, increasing our wire rods and foil segment from our rolled product units.

And even rolled product units, we are going to have one annealing furnace which is coming in the March, 26. So rolled product units may on an average we are producing 2,000 tons per month that will increase to 3,000 tons per month from March, 26 onwards. So that area also will give more valued products from rolled product units.

As far as alumina is concerned, there are the two areas i.e. special grade alumina, fused alumina, these are the areas where value-added we can make. We are exploring the market for that. What kind of market is there? The market is there for that. We'll be going in for maybe some kind of conversion or setting up our own units that is also is there in our mind. You have to go in for that.

Saket Kapoor: So how much have we outlined for that, I mean that firstly the wire rod part two years' timeline which you have said how much we will be spending on the same and what would be its revenue contribution Sir? As on today market prices.

Brijendra Pratap Singh, CMD NALCO: As far as, wire rods is concerned we get a premium of around 10,000 in wire rods. If you see the contribution, the contribution difference is around maybe 5,000 to 6,000 because the conversion we take the conversion cost into account. Rod products we see we get a premium of around 30,000 to 35,000 in the range of depending on the product. But contribution again there is, I think contribution must be around, I think it must be around 6,000 to 7,000 contribution as far as rolled product is concerned.

So contribution is there in both rolled products and wire rods and more importantly is that because if you are selling ingots we are heavily dependent on the LME. So if you want to insulate yourself from the LME the fluctuations of the LME and get the premium in the market it is very important that we go in for increasing the volumes of wire rods, rolled products and also going into the foil markets. Foil market again has a very good contribution margin.

Saket Kapoor: So my question was what is the CAPEX we are doing to for the wire rod segment, and for aluminium foil.

Shri Brijendra Pratap Singh, CMD NALCO: As far as CAPEX of the wire rod mill is concerned. It is around in between 200 to 300 crores for a capacity of 1 lakh ton mill. For setting a foil plant, again it is a very low capex plant around maybe 50 crores or 60 crores for a maybe 1,000-ton monthly capacity plant. Depends on the capacity what we are setting so wire rod will cost around maybe 250 to 300 crores that is a CAPEX as far as wire rod is concerned.

Saket Kapoor: And last point Sir on the alumina realization, so what are the current spot market realizations and for this quarter and the ensuing quarter at what prices have we contracted our shipment? If you could just give some color on that.

Shri Brijendra Pratap Singh, CMD: As far as current spot prices are concerned that is averaging around \$400. This first quarter was we got around \$460 was the average because some last quarter which balance quarter shipment that order was of the higher volume rate. But whatever spot prices currently we are getting is somewhere around \$400 and we are expecting that in the coming quarters also that will remain somewhere in between \$400 to \$450.

Saket Kapoor: Right sir. Thank you, sir. I will join the queue and all the best to the team.

Shri Brijendra Pratap Singh, CMD: Thank you. Thank you.

Shweta Dikshit, Systematics Group: Thank you. We'll take the next question from Pallav Agarwal. Pallav please go ahead.

Pallav Agarwal: Yeah. Good morning Sir. So, I had a question on how the aluminium physical premiums have been moving. So, is it more linked to MJP or you know since we sell a majority of our products in the domestic market, so we should be probably commanding a better premium compared to our peers?

Shri Brijendra Pratap Singh, CMD: You are talking about the premiums in the metal sector?

Pallav Agarwal: Yeah.

Shri Brijendra Pratap Singh, CMD: That I was telling earlier also as far as premium is concerned, in wire rods we get a premium from our Ingot around 10,000 and our conversion cost if you see is around I think Rs.3,500 to 4,000. The additional benefit of around maybe 6,000 or 7,000 we get in wire rods as far as wire rods is concerned depending on the quality and grade of the wire rods we are producing.

As far as rolled product is concerned road product we get a premium of around in between 30,000 to 35,000, extra premium. But of course, conversion cost is also there. So if you see margins, actual margins after conversion cost it will come around maybe 5,000 to 10,000 in between depending again on the what product we are talking about, sizes and all that. If you're going in the lower sizes 0.3 mm or 0.5 mm the premium is on the higher side but our productivity goes down. If you are producing on the thinner side the productivity goes down and the volume comes down. We have to balance in that.

Pallav Agarwal: Yes sir. We also see you know competitors also trying to push more material in the domestic market. So, is that is there enough demand to block that? physical premiums can sustain at these levels?

Shri Brijendra Pratap Singh, CMD: Domestic market, what we are seeing in the consumption pattern of the aluminium in the domestic market around 45 to 50% is going into the power sector. Now, the kind of infrastructure development, the kind of power lines, grid lines and government thrust in the electrification is there. The demands will be there, as far as power sector is concerned.

Now, solar panels, lot of solar panels are there again extrusion demand is there in solar panels. Lot of solar panels are coming. EVs, again, in EVs lot of usage of aluminium being a light lightweight metal is replacing the steel.

So all these areas infrastructure, other areas infrastructure development also lot of the demand in the domestic market is still there because you are seeing the domestic GDP growth is around maybe 5% to 6% growth GDP which is projected and the aluminium as far as whatever historically we see aluminium requirement is around 1.5% of the GDP. It is almost there, it grows like that so aluminium requirement will grow at the end of maybe 7 to 8% or 9%.

Pallav Agarwal: Yes sir. Lastly you mentioned that we incurred almost 75 crores in RPO obligations. So are we planning on putting up you know captive solar or maybe increasing the wind power capacity so that we don't have to purchase we can reduce the external RPO purchase.

Shri Brijendra Pratap Singh, CMD: Yes of course we have to do that. We are going in for appointing a consultant in a very planned manner. Already 7 MW solar power is under our tendering stage that will come within next 1 year or one and a half years but that is a small quantity.

Wind power is an area where we have to see or maybe setting up in hybrid mode. Wind and solar both, we are exploring on that. Maybe our plan is by 2030, next four five years we will have to have more of at least 15% to 20% of green power into our portfolio.

Shri Brijendra Pratap Singh, CMD: Our Director (Projects & Technical) will supplement.

Shri Jagdish Arora, Director (Projects & Technical): This is a very good question and going forward everybody and we are working on it in different format and very soon we'll have a fixed plan that how much green would be coming and as our CMD Sir had told this 10 megawatt of solar will come in one year but another 10 megawatt of our wind power will come in one or two months because in Kayathar, it is ready. Now, it is being getting clearances in maybe from September or October, 25, we'll be having 10 megawatt of additional plant and we are working on a hybrid round the-clock combination of solar, wind, and battery storage and all we are working on with all the power producers and another three four months' time we'll be fixing up our road map for the next few years.

Pallav Agarwal: Yes, sure sir. Also, Sir, I mean with the captive coal now at 4 million tons, is there any incremental cost savings that can come in or you know most of the benefits are now already in the P&L?

Shri Abhay Kumar Behuria, Director (Finance): Yes, definitely there is a saving because what we are taking coal from MCL on fuel supply agreement and our own production there is a difference of around 400 rupees we are getting advantages. And transportation cost also because that our mines is very proximate to our CPP so that advantages we are also getting. Both we are getting advantages in our in-house coal supply that is from our own mines.

Pallav Agarwal: Okay. Okay sir. Thank you.

Shweta Dikshit, Systematics Group: Thank you. I'll take the next question from Manav Gogia. Please go ahead.

Manav Gogia: Yes. Hi. Very good morning and thank you for the opportunity.

Shri Brijendra Pratap Singh, CMD: Good morning.

Manav Gogia: So, you had mentioned the cost of production of alumina at 20,000 to 21,000 rupees per ton. Can you provide the same for the aluminium segment as well?

Shri Brijendra Pratap Singh, CMD: Aluminium our cost is around 1,50,000.

Shri Abhay Kumar Behuria, Director (Finance): 1,55,000 to 1,60,000 it is varying within that range only, the aluminium product, because that is depended upon our product basket. I am talking about the average cost of metal. The more we go for old product the cost may vary. But the range is within 1,55,000 to 1,60,000.

Manav Gogia: Sure sir. Got it. So, one question if you could provide the number for the landed cost of the caustic soda for the quarter.

Shri Brijendra Pratap Singh, CMD: I think it was something cost was 44,000 something...increased slightly. You see the landed cost of caustic soda, if you see Q1-FY2024-25, it was 36,300. This quarter this year, FY25-26, it is 44,301. So, it has increased if you compare to Q1 of last year. If you compare Q4 last quarter.... (inaudible) 44,000 is the price which we are getting now.

Manav Gogia: Sure, sure sir. Got it. Thank you so much. That's all from my end and all the very best.

Shri Brijendra Pratap Singh, CMD: Thank you.

Shweta Dikshit, Systematics Group: Thank you. We'll take the next question from Shrikant Hemant. Please go ahead.

Shrikant Hemant: Yeah, thanks again for the opportunity. Three more questions from my side. So, first is what is our total coal requirement and how much of this still needs to be purchased externally.

Shri Brijendra Pratap Singh, CMD: Total coal requirement is around 7.2 million ton. So, we are already producing around 4 MT from our internal and 3 to 3.2 MT we'll be taking from coal India, MCL.

Shrikant Hemant: Understood. Very helpful. Second is regarding our bauxite mines. So, when do the leases for the existing mines expire?

Shri Pankaj Kumar Sharma, Director (Production): Presently we are operating two mines and the present validity, is in 2029 and 2031. And we will initiate process for renewal also. So, this is the situation.

Shrikant Hemant: Understood. And the last question is regarding long-term alumina contracts. So is it safe to assume that roughly 75% of alumina exports would be on spot and rest would be on long-term contracts. Is that understanding correct?

Shri Brijendra Pratap Singh, CMD: I think long-term will be on the lesser side because we had done one long-term tender, we did not get sufficient price, was not very good. So as of now we are aiming to go more on the spot. Maybe it will somewhere around 80% spot and 20 long-term.

Shrikant Hemant: This was very helpful. That's all from my side.

Shri Brijendra Pratap Singh, CMD: Thank you.

Shweta Dikshit, Systematics Group: Thank you. A couple of questions from my side as well. So, regarding the brownfield aluminium project where you said the DPR is currently ongoing. So, have we identified a new technology partner since there were certain challenges with the previous partner.

Shri Jagdish Arora, Director (Projects & Technology): Yeah. The new technology supplier, we have already finalized it and in another three four months last time. I told the same thing in 3 to 4 months' time we'll onboard the new technology supplier.

Shweta Dikshit, Systematics Group: So, DPR preparation since you said it's ongoing so that would be basis finalization of the technology supplier right? or is it something which happens after the technology supplier is identified?

Shri Jagdish Arora, Director (Projects & Technology): I didn't get your question can you come again please?

See, DPR preparation, this technology suppliers' input is required. So by the time we are fixing up who will be preparing our DPR, this technology suppliers would be finalized and they'll be onboarded. We have almost finalized the things now we are doing the formalities. Being a PSU, we have to go through a process and very soon we'll be on boarding the technology supplier.

Shweta Dikshit, Systematics Group: Understood. And, so the next question was on the wind capacity that's commissioning that you said 10 MW. So, what platform are we looking at and what is the rated capacity of these turbines? Are we looking at the latest turbines? Are we looking?

Shri Jagdish Arora, Director (Projects & Technology): It was actually a very long project with went into NCLT, but this now 10 MW, 1.5 megawatt is the capacity of each turbine and six such turbines would start producing it. So, we'll be getting clearances from MNRE and State of Tamil Nadu. In this month we'll finalize this and, then we'll start utilizing it. We'll see, what and how is the best possibility of utilizing this.

Shweta Dikshit, Systematics Group: Okay, understood. So, I missed your, I think a participant asked this question. I missed that point. So, could you just reiterate what is the export proportion of alumina sales and, do I stand correct in understanding that around 75 or 80% of your export sales are in on the spot basis right?

Shri Brijendra Pratap Singh, CMD: You want to know the volume of export sales as compared to domestic?

Shweta Dikshit, Systematics Group: Yes, Alumina.

Shri Brijendra Pratap Singh, CMD: If we see this year what I was telling every month, maybe four shipment we are doing export. So that comes to around 1,20,000. In between some month we are doing four shipment, some month five shipment also. Average 1,20,000 and domestic sale will be around monthly if you see monthly domestic sale will be around in 20,000, in between 20,000 to 25,000, maximum 20,000. So that will be around maybe 15% to 20% of, 15% of the total. Volume will be going into domestic market.

Shweta Dikshit, Systematics Group: Understood. And like 70 to 80% of the export would be on spot basis.

Shri Brijendra Pratap Singh, CMD: Yes. 80% on spot and maybe 20% will be going on long term basis.

Shweta Dikshit, Systematics Group: Okay Sir. That's it from my side.

I think we are done from all the participant questions as well. So, I hand over to the management for any closing remarks. Then we can conclude the call.

Shri Bharat Sahu, Company Secretary: Thank you ma'am and thank you all our esteem participants, analyst and our institutional investors for reposing confidence in NALCO time and again and coming in such a huge number with so many of questions, giving insight to our production, our marketing activity it's also about the expansion diversification activities. And we hope and expect the same kind of co-operation in future also and I just hand over the mic to our CMD sir just to close the Investor Call.

Shri Brijendra Pratap Singh, CMD: Once again on behalf of everyone present here all our Directors, I would like to thank all the investors, analysts and everyone connected through VC for going through NALCO's results and giving confidence in NALCO. Whatever your queries I hope we have explained them well. One thing which, I would like to tell on behalf of our Board that as far as NALCO is concerned, NALCO's performance, we are trying to increase the volumes.

We are trying to improve our techno-economics. As far as market is concerned, every time market is not in our hand, the prices, the demands are not in our hand. What is in our hand is to increase the volume, maximize the production and increase the techno so as to reduce the cost. That already we have taken, very challenging target this year as compared to previous year. We have taken at least maybe 10% higher targets in all the areas and in as far as first quarter is concerned we have achieved all those targets. We are very much sure we will be achieving those targets. So, at the end of the year the financials will be very good.

What advantage we have? We have both upward and downward integration. Upward integration may we have our own bauxite mines, where we're getting very good quality bauxite, sufficient quantity of bauxite. Now we are having our own coal mines from where we at least maybe 60% of coal we are getting, which is again giving advantage to us.

We are having JV with GACL for having caustic soda that is again giving a security as far as caustic soda is concerned. Our power plant as far as power security is concerned that is our own captive power plant where we produce the power at the rate of maybe 3 to 3.5 or 3.10 rupees per unit, that again is giving advantage to us. So, lot of advantages as far as our total integration is concerned.

Now we are going in for expansion mode. The refinery will come next year. Our target now is to expedite the expansion of smelter along with the power plant that we are aiming to next 3 to four year, it should come, so that whatever alumina we are producing excess of alumina, should be converted to aluminium.

So, after that only this overall turnover of the company will go above 25,000 to become a Maharatna company, that is our target and with all the things going we are hoping whatever we are planning we'll be able to do it.

So, thank you once again in having confidence in NALCO and sharing all your experiences with us. Thank you. Thank you very much.

Shweta Dikshit, Systematics Group: Thank you sir. Thank you for hosting the call and thank you all the participants for joining in. We now conclude the call.

Shri Bharat Sahu, Company Secretary: Okay, thank you. With this we come to an end of this session. Thank you all.
