PONDY OXIDES AND CHEMICALS LIMITED POCL®

11th August 2026

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Mumbai - 400 051

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Corporate Relationship Department,
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Mumbai – 400 001

NSE Symbol : POCL
BSE Scrip Code : 532626

Dear Sir/Madam,

Sub: Transcript of the Q1 FY 2026-27 Investor Call held on 05th August 2026

With reference to our letter dated 05th August 2026, intimating you about the link of the audio recordings of the investor call held on Wednesday, 05th August 2026 at 03:30 PM IST, and pursuant to Regulation 30 read with Schedule III of the SEBI (LODR) Regulations, 2015, please find enclosed the transcripts of the aforesaid Investor call.

The above information will also be available on the website of the company i.e., www.pocl.com

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully
For Pondy Oxides and Chemicals Limited

K KUMARAVEL
Digitally signed by K KUMARAVEL
Date: 2026.08.11 12:22:31 +05'30'

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"Pondy Oxides and Chemicals Limited Q1 FY27 Earnings Conference Call"

August 05, 2026

MANAGEMENT:	**MR. ASHISH BANSAL – CHAIRMAN AND MANAGING DIRECTOR – PONDY OXIDES AND CHEMICALS LIMITED** **MR. K. KUMARAVEL – DIRECTOR, FINANCE AND COMPANY SECRETARY – PONDY OXIDES AND CHEMICALS LIMITED** **MR. R. S. VAIDHYANATHAN – EXECUTIVE DIRECTOR – PONDY OXIDES AND CHEMICALS LIMITED** **MR. VIJAY BALAKRISHNAN – CHIEF FINANCIAL OFFICER – PONDY OXIDES AND CHEMICALS LIMITED** **MR. PRATIK GUPTA – ASSOCIATE VICE PRESIDENT, OPERATIONS – PONDY OXIDES AND CHEMICALS LIMITED**
MODERATOR:	**MS. SANA KAPOOR – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Pondy Oxides and Chemicals Limited Q1 FY27 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Ms. Sana Kapoor from Go India Advisors. Thank you, and over to you, ma'am.

Sana Kapoor: Thank you, Shruti. Good afternoon, everyone, and welcome to Pondy Oxides and Chemicals Limited's earnings call to discuss Q1 FY27 financial performance. Today, we are joined by Mr. Ashish Bansal, Chairman and Managing Director; Mr. K. Kumaravel, Director, Finance and Company Secretary; Mr. R.S. Vaidhyanathan, Executive Director; Mr. Vijay Balakrishnan, Chief Financial Officer; and Mr. Pratik Gupta, Associate Vice President, Operations.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore viewed in conjunction with the risks that the company faces. May I now request Mr. Ashish Bansal to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you, and over to you, sir.

Ashish Bansal: Thank you, Sana. Good afternoon, everyone, and thank you for joining us for POCL's Q1 FY27 Earnings Call. I hope you've had the opportunity to go through our financial disclosures available on the exchanges. I'll walk you through the key strategic updates, operational progress and financial performance followed by a Q&A session.

We have started FY27 on a strong footing with Q1 FY27 revenue, EBITDA and PAT growing at 56%, 30% and 32% year-on-year, respectively. I'm pleased to share that our copper vertical continued its strong momentum in Q1 FY27, achieving the highest ever quarterly production and sales with both volumes increasing by more than 3 times on a year-on-year basis. These results reflect the strength of our integrated business model, our focus on value-added products and our commitment to delivering sustainable and profitable growth.

Before turning to the financial performance, I would like to highlight the key strategic initiatives that have supported our strong start to the year and are strengthening the foundation of POCL's long-term growth and value creation. Our copper expansion project continues to make encouraging progress. We are establishing a 36,000 metric ton per annum copper cathode facility at our Thervoy kandigai plant in Tamil Nadu with a total investment of approximately INR200 crores, fully funded through our internal accruals.

We have already incurred around INR25 crores towards the project and execution remains on schedule with major equipment orders finalized and key construction activities underway. The first phase of 18,000 metric tons per annum is on track for commissioning by December 2026, with trial runs expected in Q4 FY27, while Phase 2 is targeted for commissioning by Q3 FY28.

This project marks a key milestone in strengthening our nonferrous portfolio and expanding our value-added copper vertical. The facility will leverage integrated pyro refining and electrorefining technologies to produce LME grade A copper cathodes, further enhancing our vertical integration capabilities.

Upon commissioning, the project is expected to improve our product mix, enhance margins and drive profitability through value-added copper products. It will also create operational synergies, support import substitution, increase the use of recycled copper and further reinforce our commitment to sustainability and long-term value creation.

The incremental 6,000 metric tons per annum copper recycling capacity commissioned in Q4 FY26 has ramped up well and is expected to achieve capacity utilization of approximately 75% through FY 2027. These investments will strengthen our copper vertical, enhance value addition and support our long-term growth strategy. CRISIL has upgraded POCL's outlook to A positive from A stable while reaffirming its credit rating, recognizing its strong balance sheet and sustained financial performance.

Building on these strategic developments and operational and financial performance in Q1 FY 2027 reflected the resilience of our business and disciplined execution across the organization. While lead production and sales volumes moderated during the quarter, it was a conscious strategic decision to prioritize value-added products amidst supply chain disruption and production constraints that enabled us to achieve our highest ever lead EBITDA per ton of INR21,595.

Copper production and sales volumes increased by more than 3x year-on-year in Q1 FY27, supported by the ongoing ramp-up of the additional capacity. The segment delivered strong profitability with copper EBITDA per ton rising 66% year-on-year to INR48,488. Copper is expected to contribute approximately 45% of our overall revenue in FY27 as capacity ramp-up progresses.

Coming to financial performance for Q1 FY27. Revenue growth remained robust during Q1 FY27 with revenue increasing to INR931 crores, registering 56% year-on-year growth. The overall sales mix between domestic and export markets stood at 55% and 45%, respectively. And between the lead and copper verticals, the export mix stood at 55% and 25%, respectively.

Within the lead vertical, value-added products accounted for 85% of the segment revenue reinforcing our strategic focus on increasing the share of higher-margin products. EBITDA and PAT increased by 30% and 32% on a year-on-year basis to INR56 crores and INR36 crores, respectively. In Q1 FY27, EBITDA and PAT margins remained strong at 6% and 3.9% in Q1 FY27. On a consolidated basis, the same momentum continued with revenue, EBITDA and PAT increasing by 55%, 33% and 43% year-on-year, respectively, driven by higher volumes, improved product mix and enhanced operational efficiencies.

As we move forward, we remain confident in our long-term growth journey. Our target 2030 road map is focused on delivering over 15% volume growth, 20% plus CAGR in revenue and profitability, EBITDA margins above 8%, ROCE exceeding 20% and deriving over 60% of our revenue from value-added products.

The ramp-up of expanded lead capacities, ongoing copper capacity additions, increasing contribution from value-added products, forward integration initiatives and our continued focus on operational excellence and sustainability position us well to deliver profitable growth, enhance shareholder returns and create long-term value for all our stakeholders.

Thank you for your continued trust and support. I would now like to open the floor for questions. Over to you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Dheeraj Ram from 360 ONE Capital.

Dheeraj Ram: Sir, you've guided in last quarter for around 1.25 lakh tons to 1.3 lakh tons of lead volume sales for FY27. So based on current quarter's run rate, do you expect another maybe 1, 1.1 lakh tons of sales for next 3 quarters? Or do we see any revision of this?

Ashish Bansal: Dheeraj, this is -- as you're aware, the whole supply chain issues were getting -- I mean, through the quarter, they were a little constrained, and that is the main reason. And we hope to achieve and catch up to the volumes, but we'll have to see how the whole supply chain pans out over the next 1 or 2 months. And we are confident at least we will be able to close up to the numbers that we had committed over the last quarter.

Dheeraj Ram: Okay. And since you're importing majority of copper scrap, but copper has seen very good growth, while there is only problem in lead industry. Could you explain briefly on why is this only being facing in lead recycling while not in copper?

Ashish Bansal: I mean it is more of the regional placement. So of course, we are also importing copper, but the copper material coming across from a few other locations as well and copper has just started. So when you look at the volume growth, you look at multifold growth, wherein lead already being at very high volumes, you see that differential not showing as much. So it is more of a locational advantage a little bit and a little bit to do with the supply chain from the kind of countries that the copper scrap was imported from.

Dheeraj Ram: Okay. Got it. And do you see any these difficulties or challenges being relaxed as of now? Or do we -- do we see this increasing going forward?

Ashish Bansal: As of now, it is status quo. And I'm not too sure, but I don't think it looks like it should increase more. But as of now, it'd be a little early to comment on the same.

Dheeraj Ram: Okay. And last question, sir. What is our capacity utilization for our new 72,000 ton TKD plant of lead? And what is the one for 6,000 tons of new copper plant that you commenced last quarter?

Ashish Bansal: On the TKD new capacity, because here, we mainly do more of our pure lead products. So the capacity utilization is below 50%. And as you're aware, we had concentrated more this quarter having lower volumes to keep up the margins more on the value-added part. So almost 85% of our production has been from the value-added production. Hence, the new facility, the capacity utilization has been a little low versus the other unit has been a little higher. In terms of copper, almost 75% of the capacity is being utilized on the additional capacity added.

Dheeraj Ram: So just a follow-up, this 75% that you're seeing is on the new capacity that commenced in copper?

Ashish Bansal: Yes, including the old and the new 75% overall has been.

Moderator: The next question is from the line of Sagar Shah from Spark Capital.

Sagar Shah: Sir, my first question was just a follow-up on the previous participants on the lead utilization. I understand that the lead utilization is low because of the difficulty in getting the scrap as well as in sales actually. But I wanted to understand, is there a softness in the demand as well because we are not exposed to Middle East. We are more exporting to the European countries. So is there a demand slowdown as well as in the Western part as well as what we have seen in the Middle Eastern region?

Ashish Bansal: So basically, first of all, our exports are not to the European countries. They are predominantly more to Southeast Asia and the likes. And in terms of what you call demand softening, there's no demand softening, but there has been only supply chain delays because of which the whole issues have been -- volumes have been lower and all of those.

Sagar Shah: Okay. So, when do you see the demand on track, at least in H2? Or will this softness in demand continue in FY27.

Ashish Bansal: Like I said, there is no softness in demand. There is a gap in supply because of delay in shipments and the supply chain disruptions. But overall, the demand is intact.

Sagar Shah: Okay. Okay. Fine, sir. My second question was related to our cost pressures, sir. The other expenses were up 16% Y-o-Y and 44% sequentially. So is this only because of this increase in the freight forwarding costs and the increase in the logistics cost? Or is there something else also in this one?

Ashish Bansal: Logistics is a very -- I mean, there's a small part of increase, which is a part of it, definitely, yes, but that does not contribute to the major part. The major part is contributed by the fuel prices and a couple of additives prices that have shot up in the last 3 months.

Moderator: The next question is from the line of Naman Parmar. You may proceed sir.

Naman Parmar: So firstly, I wanted to understand that the current quarter, you have attained the highest ever realization and EBITDA per ton on the lead side. So what you will be guiding for the lead EBITDA per ton and the realization going forward it's a onetime only...

Vijay Balakrishnan: See, this quarter, this is Vijay. So this time, our value-added mix was about 85 percentage. So as we said in the past, whenever we do more of value-added, the EBITDA range will be around INR19,000 to INR21,000. So since predominant portion of this lead volume comprises of value-added, we achieved this volume. But moving forward, when the volumes increase, we'll be able to retain the sustained EBITDA level of about INR18,000 to INR20,000 per metric ton. That is a sustainable level of EBITDA that will be maintained.

Naman Parmar: What that INR170 to 180 will be sustaining EBITDA.

Vijay Balakrishnan: That is the number what we have said INR18,000 to INR20,000 per metric ton EBITDA levels. That is a sustainable level, which we can attain moving forward.

Naman Parmar: Okay. Got it. Secondly, on the copper side plant, how is the capex going on? And what would be the outlook like it will be starting your 18,000 ton metric ton, it was expected to start in the September, right? So how is the capex going on, on that side?

Ashish Bansal: So correct me if I'm wrong, your question is what is the capex that's already been done on the copper part? And if -- as you are thinking it's September month, will it start in September? Is my question right, my understanding?

Naman Parmar: Yes, yes. Yes, yes.

Ashish Bansal: So currently, all the machine orders are in place and they're almost ready for inspection. We have spent approximately INR25 crores out of this thing and the further part of spending will happen in this quarter. Our commitment on starting the trial production was December 2026 and not September 2026. September 2026, the machine installations will start around September end and will take about October, November for the machine installations and the trial production to happen in December and which is on track.

Naman Parmar: Okay. Got it. And lastly, if you can give the -- what volume you are expecting on the both the lead side and the aluminium and the copper for the '27 and '28?

Ashish Bansal: We'll revert with those volume guidance shortly in the future, yes.

Moderator: The next question is from the line of Khush from Geojit CMS.

Khush: Just wanted to understand how much of the sourcing is coming from the Middle Eastern trade routes because it is not just you, it is the whole industry that has highlighted to the supply chain issues. So that would be helpful.

Ashish Bansal: So our Middle Eastern procurement is well below 5%. But the issue more than the Middle Eastern procurement is the supply chain in terms of the shipping route that is through the Hormuz and all of those, which are getting delayed. So that is the main issue and because of which the whole delay is happening.

Khush: Sure. And if these delays persist because of the XYZ reasons, how do we trying to mitigate it?

Ashish Bansal: We are looking at alternative sourcing as we have, and we have already started working on it from our Southeast Asian and other South American and other region suppliers. And we are trying to push for more supplies from these regions.

Khush: Okay. But then that would be at the similar pricing that you are buying right now or it could be at the higher end?

Ashish Bansal: Technically, it should be at a similar pricing, but it all depends again on the inward freight costs and all of those. So we'll have to see as the material starts being offered.

Khush: Got it. Got it, sir. And in terms of the plastics and aluminium division, where are we in terms of what is the ramp-up, etcetera, over there?

Vijay Balakrishnan: So Plastic division for this quarter, it has turned profitable. We have achieved about INR15 lakhs in terms of profit -- net profit. So we did about 800 tons approximately, and we are preparing for doing value additions in the quarters to come. With respect to aluminium, we are doing a small quantum, about 200 metric tons. That is what is the production right now in terms of both these verticals.

Khush: Got it, sir. And one last question. For the full year, what should be the expected value addition value-added mix for lead? Because this quarter, it was extremely high at 85%. I'm sure as things improve, it would come down. So what would be the sustainable mix of value-added for lead?

Ashish Bansal: Yes. Annually, we are looking at around 65% to 70% on the value-added mix. Last year was at about 63%. And this year, we are expecting and targeting around 65% to 70%.

Khush: Sure. And in Q1 FY26, how much it would be?

Ashish Bansal: 85%...

Khush: Last year, you're talking about.

Ashish Bansal: Last year was about 55% approximately.

Moderator: The next question is from the line of Pawan Kumar from Global Consilient Research.

Pawan Kumar: Most of the questions have already been answered. So one last question is on the capex side. The guidance that you have alluded towards INR175 crores for the financial year '27, which we have already disclosed in the investor presentation. So out of this INR175 crores, can you please break down that how much is the growth capex and the maintenance capex out of this?

Ashish Bansal: The current INR25 crores is for the fresh capex that has already been spent. Out of approximately that INR175 crores, the maintenance capex will be in the range of INR20 crores, INR25 crores and balance INR140 crores to INR150 crores would be for the copper new plant division.

Moderator: The next question is from the line of Aditya from Mirae Asset?

Aditya: Just wanted to understand on copper, like as we are ramping up our copper capacities, from sourcing point of view, I mean, how should we think about copper scrap security? I mean, we are seeing that global supply is tightening, especially on the copper side as well and more and more countries are looking to keep more of scrap within their boundaries. So are we seeing any kind of sourcing problems, especially on the copper side going forward? And what is our take on that?

Ashish Bansal: So currently, most of our copper sourcing is on imports and a little more -- with a little more diversified different countries than where we are doing our predominantly. But we are also looking at copper from domestic sourcing, which would contribute about 25% to 30% going forward. And a lot of which we have also started looking at it currently.

I mean it has to be -- I mean, the sourcing model for scrap going forward will have to be extremely dynamic in terms of being able to quickly switch over to domestic and versus imports. So it has to be a dynamic function of the whole process. And as it goes -- as we go forward, we'll have to keep making it stronger.

Aditya: Got it, sir. Very helpful. Just on the lead side, we understand that it was -- it's not a demand issue right now, but majorly a sourcing issue like we are facing supply chain issues because of this Middle East crisis. But if this crisis persists, say, for the next 1, 2 or 3 months, how are we planning to, I mean, source our scrap on the lead part because, again, our lead imports are quite high.

Ashish Bansal: See, it is -- when we say sourcing, it is more of the shipping delays and all of it, which is happening. And already, we have started looking into other regions like the Southeast Asian region and a little more on the domestic part of it. And going forward, I mean, those -- the specific shipping routes will have to be avoided.

So because of it, there could be -- the sailing time would be a little longer and maybe a little impact on the pricing in terms of raw material overall. But I mean, it has -- it will find its balance in the due course. I mean it's not going to be perennial.

Aditya: Got it, sir. Just one small follow-up on that. I mean, does that lead...

Ashish Bansal: Whenever there's a war, post war, the scrap generation is also at multifold due to all the calamities that's happened during the war.

Aditya: Just a follow-up -- a quick follow-up on that. I mean, with war being elongated, does that stretch our working capital also? I mean, do we see that kind of working capital being stretched at least for next 1 or 2 quarters?

Ashish Bansal: No. Our working capital is not stretched if you look at our current numbers. Our payment cycle is when the material arrives closer to the port, that's about a week before the arrival of the material. So that still stays in place. So that does not really has not impacted our working capital cycle.

Moderator: The next question is from the line of Jigar Jani from Nuvama.

Jigar Jani: Congratulations on great numbers in a tough environment. My first question is on the copper EBITDA per ton. If I recall rightly, I think last quarter, you had guided for INR35,000 to INR40,000 on a normalized basis before the value addition kicks in. This quarter, again, we have surpassed last quarter's EBITDA per ton in copper. So what kind of guidance would you like to provide before value addition for the copper EBITDA per ton for the full year?

Ashish Bansal: Thank you. You're exactly right. We had guided at 35,000 to 40,000. But with our increased capacity right now from -- with the addition of 6,000, we are able to get a little more efficiencies back into our operations and translate that into -- I mean, into the sales pricing. And also because of good amount of volumes, we are able to compress a little bit on our -- the working capital cycle in terms of overall cost on that basis was -- we were able to bring down by a couple of basis points.

And in addition to that, currently, in this quarter, we also had a little run-up due to the demand situation in terms of availability. So we are able to get a little more premium on the selling side on copper. But nevertheless, looking at going forward margins on this, I mean, we should be able to do in excess of 40,000, which mainly is driven through the efficiencies that we have gotten through our increased capacities and some machine additions and all of those. So we can safely guide above 40,000 would be for the part which was earlier, 35,000 to 40,000.

Jigar Jani: Right. And sir, on volumes also, I think we had guided 12,000 tons for copper. Again, first quarter, we have done about 4,000. We are already at 75% utilization. So can we expect some more ramp-up in this? Or should we expect that 4,000, 4,500 should be the run rate till the new capacity kicks in?

Ashish Bansal: Yes. So we will have our new capacity kicking in the last quarter. So definitely, in the last quarter, we will have the capacity benefit of the new capacity coming in as well. Till then, we will be pushing hard on the existing capacities, whatever we have and see what maximum we can do.

Jigar Jani: Understood, sir. And sir, lastly, just a question on copper. So right now, when we say copper cathodes, right now, till what stage do we do the scrap processing? Do we just do the ingots -- or do we do the anodes also as of now? Just wanted to understand.

Ashish Bansal: Anode is a part of the new project that's coming up. So from the scrap processing to anode, anode to cathode will be a part of the new process that comes. Currently, we are doing the basic preprocessing in terms of shedding chopping, sorting and a small amount of melting as well into some remelted kind of ingot or pellet, but majority is pre-built condition, pre-built.

Jigar Jani: So when we target Q3 FY27, 18,000 tons, that will be till cathode and not till anode. Is the understanding correct?

Ashish Bansal: The installed capacity, what we are establishing for 18,000 tons will be till the end product cathode.

Jigar Jani: Understood. And sir, lastly, any plans that you have formalized on forward integration from copper cathode into busbars wire rods or any value-added products that you are looking at as of now?

Ashish Bansal: We are on the way of finalizing, but right now, we don't have a confirmed product, which we will be announcing. So closer to -- as we get to our final production stages on the cathode, we will come out and announce our further plans of forward integration.

Jigar Jani: Sure. And lastly, any update on lithium-ion or we are still at pilot stages there?

Ashish Bansal: Mr. Vaidhy will speak a little more on the lithium-ion.

R. S. Vaidhyanathan: Yes. We are still -- since the industry is still evolving, we are still contemplating and working with some strategic technical partners predominantly in India, only the LFP chemistry is available and wherein the recovery extraction is about 1.5% to 2% and rest the iron -- I mean phosphate is not of much demand and much value.

So we are just monitoring the entire -- the feedstock arrival and the other challenges like the evolving technology and other stuff. So once we kind of convince ourselves in terms of what to and how to go about it, and we will surely let all of you know about it.

Moderator: The next question is from the line of Saransh Gupta from SVAN Investments.

Saransh Gupta: Yes. Sir, I wanted to firstly understand like in this quarter, our value-added mix was 85%, and that has been the historical high, I believe. So was this due to the supply constraints? Or is did our customers -- was this because of our customer demand?

Ashish Bansal: So basically, when our -- we had some supply constraints, so we did discuss with our customers where we spoke to them and interested because they are customers who take the value-added products are specifically dependent on specific suppliers for value-added products. So we requested them if they could take the basic pure lead and other products from elsewhere and take the value-added products from us.

So -- and we were able to convert those into the orders. So if you see basically our value-added products have been sold as they were in terms of volume. But since the pure lead volume did come down, so the percentage is at 85%.

Saransh Gupta: Understood, sir. Just a follow-up on that. Like assuming the similar situation continuing in this quarter as well, do our customers have the bandwidth to accept more value-added mix -- value-added products in lead segment?

Ashish Bansal: I mean I don't get the question. You mean bandwidth accept more in the sense?

Saransh Gupta: Sir, like in this quarter, we did 85% of value-added, which helped us achieve an EBITDA of INR21,500 something. So do we have -- do our customers have -- do our customers have the requirement of additional value-added products in this quarter as well? Or because I believe that yearly, there is a certain demand that has to be met for value-added. And post that, we can supply only alloys to them. Sir, I just wanted to understand like how conveniently we can shift our value-added mix that helps us attain higher EBITDA per ton. As in your answer, you said that this was a onetime event that because of supply chain issues, you request your customers to get -- to take higher value-added products?

Ashish Bansal: No, no, no. Again, I'll again explain the same thing to you. We did not request our customers to take a volume of value-added products. We requested our customers to take the basic pure lead product from any other supplier because that's more easy to procure, wherein value-added products are supplier specific.

So when our volumes of the pure lead drop, in totality, if you see the percentage, it was 85% -- so we concentrated to see that we don't drop the volume of the value-added products from where it is and rather drop the volume of the lower profitable products and continue with whatever best we can do in the amount of raw material that was available at that point in time.

Saransh Gupta: Understood, sir. And just one last question. In the last con call, I guess there was some receivables around INR110 crores, INR115 crores that we had to receive in April. So what's the status on that? And how...

Ashish Bansal: That was received then was that it was received on April 5 itself. During the con call and the negative cash flow was due to there's a vessel delay, which moved -- is supposed to be around the last week of this thing and moved to April 1st week. Hence, we received that payment on April 5, and that's what showed the cash flow to be negative, but that was received on April 5.

Saransh Gupta: Understood. So how -- what's our -- at the end of the quarter, what is our working capital cycle?

Ashish Bansal: Currently, we are at 46 days... Versus 53 days earlier. And we have a positive cash flow as well, yes.

Moderator: The next question is from the line of Dev from Ithought PMS.

Dev: Sir, I understand that by end of this financial year, we will be having 12,000 metric tons of copper recycling, 36,000 metric tons of copper cathode. So how much of this we will use captive recycled copper for the copper cathode and the balance amount where we'll be sourcing copper pre-melt from?

Because I wanted to understand in different scenarios, what could be our margins and what could be the EBITDA per ton, like when we are doing copper cathode from own pre-melt and when we are doing copper cathode by sourcing it from outside?

Ashish Bansal: So by the end of this financial year, we will have an installed capacity of 18,000 metric tons of cathode. And by Q3 of next financial year, we'll have the balance 18,000 on stream. We will be using almost close to 70%, 80% of our in-house recycled material or basically, the idea of using in-house will be the lower grade will be used for our production and the higher grade will be sold as it is, because on the higher grade of scrap, as much value addition will not make sense. So that kind of processing cost and everything. So that will be sold as of.

Apart from that, we have tied up for sourcing of various other kinds of copper scrap that will be used for this melt. What we had guided was a blended margin profile on this should be in the range of around 60,000, 65,000.

As of now, we still hold the same unless until we start -- and of course, as we start and we go through a couple of months, efficiencies will definitely kick in. So we are sure that we will be able to increase the number on that, but a bare minimum of INR60,000 to INR65,000 per ton will be achieved on this cathode part.

Dev: Got it, sir. Got it. So sir, since we have like higher copper cathode facility, are we also like planning to increase our copper recycling facility for the backward integration around 12,000...

Ashish Bansal: Yes, we probably will, but we will look at it at that point in time based on the raw material mix that we wish to push in for our production.

Dev: Got it, sir. Got it. Sir, next question was on the lead side. Sir, given the disruption that we have seen in the current quarter on the lead, but still our sourcing mix was like 97% for international. Any specific reason that why we didn't go for more domestic sourcing despite the disruption in the international channels?

Ashish Bansal: Yes. The domestic pricing because the domestic market, understanding that there is a delay, the price delta was so high that if we had gone in for more domestic sourcing, our overall profitability in terms of per kg EBITDA would have drastically dropped. So it did not really make too much of sense to push in to go for domestic sourcing and wipe out the profitability as well.

Moderator: The next question is from the line of Darshil Jhaveri from Crown Capital.

Darshil Jhaveri: Firstly, congratulations on a good set of performance in a very challenging environment, sir. just wanted to know a lot of my questions have been already answered. So just on the lead side, sir, like are we still seeing that big supply chain issue right now happening? Will it hamper Q2 as well? Because the war doesn't seem to be getting over anytime soon.

And even if it does, the shipping lines might not come to full force right now. So what would be your outlook and view on the current Q2 happening? And as well as like if we have to hit our guidance of nearly 100000 -120,000. So then we should -- we would have to do sizably in H2. So do we have enough capacity for that, sir?

Ashish Bansal: See, in terms of capacity, yes, we have the capacity to do that. And in terms of will it continue for Q2 I would love to be optimistic that it should not continue for Q2. The first month has been a little better than the first -- the last 3 months. But hoping that things would be better, but I mean, we have to only wait and watch how things pan out on the supply disruption side as of now. We might not be able to give you an extremely concrete answer. Maybe another month down the line, we might have more concrete answer. But at this moment, we stay as optimistic that it should end.

Darshil Jhaveri: Okay. Okay. Fair enough, sir. And sir, just wanted to know like in FY28, when our full -- the new cathode capacity comes in, so what kind of volume are we expecting from copper in FY28 or rough range will also do, sir?

Ashish Bansal: I didn't get your question. We'll be expecting what?

Darshil Jhaveri: So in copper, like FY28, like from the 18,000, like what would be the capacity utilization ramp-up that we can see, sir?

Ashish Bansal: In FY28, I mean, we are confident we'll be able to utilize over 80%, 90% of the capacity of 36,000 metric tons.

Moderator: The next question is from the line of Swaraj, an Investor.

Swaraj: My question was, like our copper revenue percentage has now become more than lead. So, until our cathode goes live, which you say will be in December, should we assume the two quarters until then we will have slightly less EBITDA margins, take a bit of a hit?

Ashish Bansal: In what? Why would there be a hit in margins? In absolute quantum the margin will be much higher, right?

Swaraj: Yes, like in this quarter our copper percentage has increased suddenly. So on EBITDA margins there has been a bit of de-growth.

Ashish Bansal: Are you looking at this in value or percentage?

Swaraj: EBITDA margin sir.

Ashish Bansal: Are you looking at this in value or percentage?

Swaraj: Sir, in percentage.

Ashish Bansal: So you'll be happier if it is 9%, but it's still, for example, INR50 crores versus if it is INR70 crores, but it is only 8%. So, you're saying you'll be happier at 9% than INR50 crores. I'm just trying to understand. So absolutely, the absolute quantum numbers, it will be much higher because per ton realization on copper margins will be at cathode level will be in the range of about INR65,000 versus lead being at INR20-21,000. So accordingly, I mean, if you look at percentage, it might -- it will be slightly lower. But in terms of absolute quantum, it will be much higher.

Swaraj: And sir, the 8% EBITDA margin target we are carrying, by when gradually can we achieve that 8%?

Ashish Bansal: We will be able to have a blend 8% by 2030 is what we have given the target, but we are confident we'll achieve much before that.

Moderator: The next question is from the line of Utkarsh Somaiya from EIko Quantum Solutions.

Utkarsh Somaiya: Great set of numbers in this environment where your peers couldn't perform. I just had a question. Now once your entire copper capacity comes on stream next year, we should be able to do around 28 odd thousand tons. Now this is going to be a mix of cathode, which is going to do 60,000 plus and your base copper recycling. So how should we look at the EBITDA per ton in FY28 for this 28000 tons, blended EBITDA per ton...

Ashish Bansal: In FY28, we will have the complete capacity of 36,000 metric tons of cathode by itself. So we should be able to do in excess of 30,000 tons of cathode by itself. And most of our recycling material that we generate, almost about 70% to 80% will be internally consumed into the cathode plant and only about 20% of which would be sold to the outside market. As of now, in the initial feasibility stage, we are guiding on the cathode side, approximately 60,000, 65,000 per metric ton of the cathode and recycling in excess of 40,000.

Utkarsh Somaiya: And what will be the recycling volumes?

Ashish Bansal: As of now, we are having a volume of 12,000 tons. So definitely, that will be fully utilized.

Utkarsh Somaiya: So even in FY28, we can assume 12,000 of copper recycling and around 30,000 of cathode.

Ashish Bansal: Yes. I mean, technically, the 12,000 should be higher by FY28. But as of now, till we don't install the capacity, I would not commit that the 12,000 would be higher. But copper cathode capacity will be 36,000, and we are saying that comfortably we'll be selling -- I mean, producing and selling over 30,000. So I'm only still taking a delta of 20% and speaking that we'll be at 30,000 tons and above.

Utkarsh Somaiya: Understood. So sorry, I'm slightly confused. So today, our copper recycling capacity is 12,000, correct? And cathode is -- you don't have cathode yet. You're going to commission it in December. And in FY28, when your cathode, you do 30,000 volumes, what will be your volumes of your base business, which is 12,000 today? The capacity. It is not the volume, if you can give me.

Ashish Bansal: So like I said, as of now, it's 12,000 unless we add more capacity, which we most likely might add. So until I add, I will not be able to commit, but we will definitely look into the kind of raw material available. And according to that, we will have our processing lines come into place.

Utkarsh Somaiya: And have you decided on your…

Moderator: Sorry to interrupt, Mr. Utkarsh. May we request you to join the question? The next question is from the line of Hiren Desai, an Investor.

Hiren Desai: The copper recycling that we have is 12,000. And by the end of complete expansion, we will have a cathode capacity of 36,000 tons. Now 60,000 to 65,000 per ton EBITDA that we are talking about, will it be on 36,000 ton capacity? Or will it be on 36,000 tons of cathode plus 12,000 of recycling, adding up to 48,000 tons. So it will be on 48,000 tons or it will be on 36,000 tons.

Ashish Bansal: I think some time back, very precisely the same thing I explained, but nevertheless, I'll explain this once more. So basically, as I explained earlier to another gentleman who asked a similar question was that the blended margin guidance on the cathode will be approximately 60,000 to 65,000, but definitely that should go up once the efficiencies come in. And whatever we sell the recycled product directly without processing into the cathode plant will be above INR40,000 per ton.

And 80% of our recycled material, which is approximately somewhere 8,000, 9,000 tons, we will be utilizing into our cathode plant. And the balance about 25,000 or 22,000, whatever we consume will be from other scrap that we will be importing. So when you take a blended of these two, it will be in the range of 60,000 to 65,000 and what is sold outside, that will be an addition of 40,000 plus...

Moderator: The next question is from the line of Aniket Gada, an Investor.

Aniket Gada: Sir, I just wanted to ask a couple of questions. Firstly, our EBITDA per ton for the lead business has been the highest that's been reported and 45% of our lead business is the domestic market. Sir, has the implementation of EPR credits and battery waste management rules contributed in any way to improving realization, margins or customer preference? Or has there been a negligible impact in it?

K. Kumaravel: No. But in the investor presentation, they mentioned this quarter, majority is imports. So costing of EPR credit on domestic purchase is very minimal for this quarter. Probably in the second quarter, we look on it if the domestic procurement improves, then we can have the benefit of EPR in the second quarter.

Aniket Gada: And sir, if that happens, what kind of an impact would have on the margins?

K. Kumaravel: Margin that will be compensated through the prices.

Ashish Bansal: Yes. So basically, when you buy a domestic raw material, people start factoring in the EPR pricing and all of that. And the raw material prices automatically get somewhere readjusted a little bit based on those factors. So the margin -- just basic idea of EPR, it just makes it more viable for you to procure domestically and process. And that's how it helps.

Maybe there could be a few basis points here and there better margins, but it all depends on demand supply in terms of availability of material, the pricing and all of those. Currently, the domestic market pricing is higher even after looking at all the EPR benefits and everything. And hence, we did not really push for domestic procurement. And this quarter seems like a little bit the prices are better. So we have already started looking into the domestic procurement.

Aniket Gada: Secondly, we had some EPR credits available for us, which we did not monetize. Have we monetized that? Or are we looking for?

Ashish Bansal: Yes, we have not yet monetized that as well. We still have it in our credit.

Aniket Gada: Copper cathode plant will be on the same unit where the current copper production is happening on a different site?

Ashish Bansal: This will be a different site. It's a new site where the copper cathode plant is being installed. This is in Tamil Nadu. The current copper recycling plant is in Andhra Pradesh.

Moderator: The next question is from the line of Mit from Anvil.

Mit: So my question was like for the current copper products, I wanted to know our end user industry. And post the copper cathode coming on stream, so will the end user industry be the same? Or will it differ? Like currently for lead, it is predominantly autos. So I just wanted to understand for the copper product.

Ashish Bansal: So currently, we supply to a lot of wire rod makers, basically the secondary wire rod makers and a few other household wire manufacturers and the higher grade of proper scrap supply to a few of the busbar and other product manufacturers. Once we have a cathode, the cathode can be supplied to the industries which require the highest purity and highest form could be your industrial cables to your high-end electrical applications to foils to your requirements for your PCB boards and all of those kind of uses where extreme pure critical purity is extremely critical.

Mit: Okay. And sorry for repeating the question if it looks like. But I have a doubt like for the 36,000 tons, our 12,000 tons of scrap recycling will also be used. So the volume in FY28 will be like it will be 36,000 plus 12,000 or 36000 is inclusive of the 12,000 tons?

K. Kumaravel: As has already explained. And again, I'm repeating you, for this 36,000 tons out of 12,000 tons, they are planning to use 8,000 tons for the captive consumption. Balance 4,000 tons is added to the 36,000 tons. So notionally, sales realization for 40,000 tons per annum, not 48,000 metric ton.

Ashish Bansal: So basically, the blend could change a little bit plus or minus depending on how much of internal recycled material is going to be used for the cathode as extreme high-purity scrap might not be required to repurify and manufacture the cathode. So those could be sold off at a good value and price. So the lower grades will be utilized internally, the higher grades could be sold off externally.

Moderator: The next question is from the line of Nakul Gupta.

Nakul Gupta: So I have basically a major question like what is the production output for the month of May to July? If you can quantify for each particular month, it will be great.

Ashish Bansal: May to July or April to June?

Nakul Gupta: April to June or April to July, if you want to give July numbers also.

Ashish Bansal: We have given the quarterly numbers. I don't think it will be possible right away. Maybe we can get back to you with each monthly exact numbers.

Nakul Gupta: Actually, I want to get a point whether there is an upward trend of production or it is just stable around -- the numbers are stable as they are in the April month. So can you just help me out with this, the numbers are in upward trend or not?

Ashish Bansal: So as what we call the supply issues, I mean, the shipping issues increased a little bit towards the month of May. And in the initial part of June, the production numbers were a little lower in May and June. And April month, the numbers were good and consistent on the higher side. So on an average blended side, the overall quarter, the number in terms of lead was a little lower.

Nakul Gupta: Okay. So another question I wanted to ask is one of your competitor, market leader has a bit of 10% degrowth in lead volume. But when we see our is about 25%. So what is the rationale that why we have degrown at a much faster pace as compared to the competitor?

Ashish Bansal: I won't be able to specifically comment on the competitor. But regarding our reasons, we have already given you the reasons in terms of why the volumes were lower.

Moderator: That was the last question for today. I would now like to hand the conference over to the management for the closing comments. Over to you.

Ashish Bansal: Thank you, everyone, for joining us today and for your continued interest in POCL. I would like to thank our Board of Directors for the guidance, our employees for our dedication, our customers for the continued trust and our investors for the unwavering confidence in the company. If you have any further questions, please feel free to reach out to our Investor Relations team at Go India Advisors, and we appreciate your participation and continued support. Thank you, and have a great day. Thank you.

Moderator: Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.