नालको NALCO

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दनांक/Dated:.05.08.2026

To, प्रबंधक/The Manager बीएसई लिमिटेड/BSE Limited, फीरोज जीजीभोय टावर्स/ Phiroj Jeejeebhoy Towers, दलाल स्ट्रीट/Dalal Street, मुम्बई/MUMBAI- 400 001 **स्क्रिप कोड/Scrip 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**

विषय/Sub: 03.08.2026 को आयोजित आय सम्मेलन कॉल की प्रतिलेख/ Transcript of the Earnings Conference Call held on 03.08.2026

श्रीमान/Dear Sir,

Further to our letter dated 03.08.2026 and pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, enclosed please find the transcripts of the Earnings Conference Call held on 03.08.2026 for discussions on Company's business and outlook post declaration of Unudited Financial Results for 1st Quarter ended 30th June, 2026.

Neither any Unpublished Price Sensitive Information (UPSI) was shared during the aforesaid Earnings Conference Call nor is mentioned in the enclosed transcripts.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

Bharat Kumar Sahu
Digitally signed by Bharat Kumar Sahu
Date: 2026.08.05 16:18:11 +05'30'

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

Encl.: As above

"National Aluminium Company Limited

Q1 FY27 Earnings Conference Call"
August 03, 2026

NALCO MANAGEMENT TEAM

Shri Brijendra Pratap Singh – Chairman-cum-Managing Director
Shri Pankaj Kumar Sharma – Director (Production)
Shri Jagdish Arora – Director (P&T)
Dr. Tapas Kumar Pattanayak – Director (HR)
Shri Abhay Kumar Behuria – Director (Finance)
Shri Bharat Kumar Sahu – Company Secretary

MODERATOR

Ms. Shweta Dikshit – Systematix Group

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Call of National Aluminum Company Limited NALCO Conference Call hosted by Systematix Group. 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.

I now hand the conference over to Ms. Shweta Dixit from Systematix Group. Thank you, and over to you, Ms. Dixit.

Shweta Dikshit: Thank you, Shailendra. Good morning, everyone. On behalf of Systematix, we welcome you to the Q1 FY27 Earnings Conference Call of NALCO Limited. I would like to thank the management for giving us the opportunity to host this call. And I now hand over to Mr. Bharat Sahu, Company Secretary, NALCO to discuss the company's financial and operational performance. Over to you, sir.

Bharat Sahu: Namaste. Good morning. Warm greetings from NALCO, Navratna CPSE under Ministry of Mines. Let me, at the outset, introduce our functional directors sitting in this earnings call. Sitting in the middle is our CMD, Shri Brijendra Pratap Singh; sitting next to him, Director, Finance, Shri Abhay Kumar Behuria; and sitting next to him is Dr. Tapas Kumar Pattanayak, our Director, HR, sitting next to me is our Director, Production, Shri Pankaj Kumar Sharma sir. And I am Bharat Sahu, Company Secretary and Compliance officer.

On 31st July evening, NALCO Board considered and approved the financial results for the first quarter of FY27. Nalco has registered a robust performance in the Q1. And the presentation is already uploaded in the website of the stock exchange, also on the website of the company. It is a robust performance, and I will request our CMD, sir, just to highlight some of the key financials of this Q1, and then we'll start taking the call, the questions from your side, please.

Brijendra Pratap Singh: Good morning. At the outset, our performance for the Q1, already the presentation is loaded, but I would like to give a few highlights of the Q1 performance. Q1, our overall total income, which grew if you compare to previous year Q1 from INR3,930 crores to INR5,400 crores, around 39% growth Q1 to Q1, same if you see CPLY.

Earnings, if you see PBT grew by around 88%. EBITDA grew by around 78%. So there has been a substantial growth both in revenue collection, both in profitability of the company. If you see the highlights of the performance, physical performance also has been very good, whatever targets we have set in the beginning of the year, almost all targets we have achieved. We have achieved best ever production in bauxite, in hydrate production and wind power in power generation as far as quarter 1 progress is concerned, best quarter 1 in all these areas.

Financially, if you see best quarter performance we have done as far as our revenue generation is concerned, is the ever best quarter we have done. As far as profitability is concerned, best Q1 profitability we have achieved. And the major contributors have been, of course, our internal, if we see improvement in the volumes of production, whatever targets we have taken, almost we have reached to the peak of the volume in all the areas, if we see refinery, if you see our metal production, all the areas, and we have targeted at least 5% to 10% more than the capacity utilization, whatever we are going to do more than the rated capacity we have targeted this year.

As far as other areas are concerned, we are also targeting to reduce our cost, increase our efficiencies, which is in our hand that is increasing volumes and reducing the cost. We are also going for some value-added products for our future or future expansions as far as expansion is concerned, 5th Stream refinery is going to come this year. And also, we are targeting to expand our smelter capacity for which we are going for CPR mixing capacity, going ahead with the various milestones, which we'll be discussing in the presentation.

So once again, thank you, Systematix Group for organizing this conference call.

Bharat Sahu: Ma'am, over to you. We can now request all our esteemed participants to come forward with their questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mr. Amit Lahoti from Aditya Birla Capital.

Amit Lahoti: In the refinery, how is the commissioning process moving there? And can we still produce 300,000 tons in the current fiscal?

Brijendra Pratap Singh: Our 5th Stream refinery, the current, we have June onwards, we have started the commissioning of a few of the decommissioning activities we have started. Few of the packages, almost around 50 -- more than 50 packages are there. A few of the packages, mechanical completion already has been done and the trial of those packages are under process. A few of the packages are left out.

Our target is by September end, we have to complete mechanical completion of all these packages, do the integrated trial first. That is the water runs to be done within the packages. And after that, we start the actual production process, which will take maybe 3 to 4 months to stabilize and reach to the level of 60%, 70%.

This year, our target was that we'll be producing around 2 lakh tons of alumina from this refinery. So even if we start the actual production from November, December onwards, after that also, we'll be able to achieve those kinds of figures from the 5th Stream refinery, that is around 2 lakh tons of alumina production.

Amit Lahoti: Right. So why has there been a delay? Because earlier we were planning to start producing from June onwards. So as we are seeing around 6 months of a delay, any reason around that?

Brijendra Pratap Singh: We were planning to start the commissioning activity from June onwards and after that, complete it in next 3 to 4 months. Of course, the mechanical completion, which was supposed to be done by June, July, maybe getting delayed by 2, 3 months. So this is a big project, big project.

It is very difficult to exactly pinpoint the date of commissioning and all that, and it's a chemical process plant. So now our -- maybe by September end, we are targeting the mechanical completion will be there and we'll start. There is almost 2, 3 months delays there, not very huge delays there.

Amit Lahoti: Sure. Okay. My second question is on employee cost, which has gone down below INR1,600 crores if we annualize Q1 number of INR395 crores. So is it part of the superannuation plan that you guided in Q3 FY26 that you were going to affect senior people of around INR200 crores to INR250 crores with a cost saving of INR70 crores to INR80 crores. So is it same which is coming now?

Abhay Kumar Behuria: Myself, Abhay Behuria, Director of Finance, is the right question. Why our employee cost is going down. If you see the CTC of our last year 2026, our average CTC was around INR36 lakhs. And in this quarter, it is around INR33 lakhs. There is a reduction of INR3 lakhs almost. That is because rightly you have said that is because of superannuated of the high paid employees and induction of the employees at the entry level. That is the one reason.

Second reason is we have made some provisions last year because towards retirement benefit that is provisioned towards actual valuation of leave, gratuity, and which was on the higher side. This quarter, we needed to provide that. And another area is PRP. PRP were made provision last year, which is not required to be provided this year in that ratio. That has reduced our cost. And we expect that this will continue in the next 3 quarters also.

Amit Lahoti: Okay. So for the full year, we can still see this number around INR1,600 crores, what is that?

Abhay Kumar Behuria: In the latter part of the year, in the last quarter, quarter 4, there may be some impact of pay revision because 1st January 2027 pay revision is due. So the last quarter, there may be some increase in 15% additional. Otherwise, 2 quarters, second and third, the cost will be in this line.

Moderator: Next question is from the line of Mr. Aditya Welekar from Axis Securities.

Aditya Welekar: My question is with respect to our alumina sales volume. So, for FY27, you have guided 25 lakh tons of alumina production. But anything in terms of sales volume because that number fluctuates a lot. So, if you can guide on the full year volumes for FY27?

Brijendra Pratap Singh: This financial year, last year, we sold around 14 lakh tons of alumina. This year, we are targeting 16 lakhs, whatever 2 lakhs extra alumina we are trying to produce from 5th Stream, that will be added to our sales value. So, 2 lakhs extra we'll be selling this year.

Aditya Welekar: Yes. Understood. And the second part is, I mean, we have seen now that the aluminum prices have come down. So going forward in Q2, do you foresee any raw material cost pressure, which will persist because we have seen in the earlier quarter, you have guided that there is some cost inflation on CP coke, coal tar pitch, and other raw materials. So, will it impact our margins going forward as the aluminum prices have cooled down?

Brijendra Pratap Singh: The aluminum prices, you see in the first quarter average, we got around INR3,500, INR3,600, INR3,700 of LME. Now it has come down to around INR3,200. Raw material prices, of course, has increased. You see caustic soda prices last year average was around INR42,000. In Q1, our expenditure was around INR45,000 per ton. And Q2, it will become around INR49,000. Of course, caustic soda prices are going to go up by around INR3,000 to INR4,000 as compared to Q1.

CP coke prices also has gone up INR53,000 was -- INR44,000 was last year, it has gone to INR66,000 to INR70,000. These are the 2 major areas and also HFO. HFO price, which was INR46,000 last year, it has gone up to INR75,000. So this has increased our overall cost of production by around INR15,000 to INR16,000 per ton of metal.

So these 3 areas, caustic soda, CP coke and HFO. These are the 3 areas where our costs have -- also aluminum chloride by some amount. So of course, around 10% to 15% increase in the raw material prices are there, which is increasing our cost by around INR15,000 to INR16,000 metal prices.

Aditya Welekar: So anything which can offset that means we have seen just recently alumina prices have increased to $350 per ton. And then is there any scope to offset that with lower fuel power cost? Or you think that the margins would take slightly...

Brijendra Pratap Singh: Alumina prices, what we expected in the beginning of the month year was around $310 to $320. But of late, we are getting around $370 alumina prices. That is because in Russia also, Rusal and China, 2 of the refineries due to red mud issues, they have reduced the production. The bauxite prices in New Guinea has increased slightly. So that's why the alumina prices, which we were expecting that it will be somewhere around $320, we are getting around $370.

So that will offset somewhat raw material, what is increase in the raw material cost. Because raw material had given us an expenditure burden in Q1 around INR120 crores -- INR230 crores in extra due to increase in the raw material prices. So alumina prices are the prices which we are expecting it will if we remain at the level of $370, then that will offset the input raw material cost.

Moderator: The next question is from the line of Pinakin from HSBC.

Pinakin: Sir, I have a few questions. The first is you highlighted $370 per ton is your alumina realization you're getting currently. And what was the alumina realization you got in Q1, sir?

Abhay Kumar Behuria: Just can you repeat the question? Just last line.

Pinakin: Alumina realization in Q1 -- quarter 1?

Abhay Kumar Behuria: Q1, our average realization was around $323 alumina.

Pinakin: Alumina cost of production, sir, will it be higher in quarter 2 versus quarter 1?

Abhay Kumar Behuria: Quarter 1, our cost of production, if you see -- you are talking about alumina or metal?

Pinakin: Alumina.

Abhay Kumar Behuria: Alumina costs normally range between INR21,000 to INR22,000. Last quarter, it is around within that range only. And the second quarter, since we have observed all the input cost increase in the first quarter, similar pattern of cost price will be remain in the next quarter. And we don't think our cost will be increased. Rather our cost will be within that range only, around INR21,000 to INR22,000 per ton of alumina. And rather we'll be getting advantage in the price because CMD sir has already explained that the next quarter, we are going to get an incremental price of around $50 from alumina.

Pinakin: Got it. My second question is, sir, you highlighted metal cost of production increase of INR15,000 to INR16,000 a ton. Was that cost of production increase already seen in quarter 1? Or will that increase come in quarter 2 versus quarter 1?

Abhay Kumar Behuria: No, it was already expected because we are knowing that raw material prices are going to go up. The 3 raw materials that is caustic soda, HFO and CP coke. So that was almost expected, and the similar kind of cost will continue in Q2 also.

Pinakin: Okay. Similar kind of cost will continue. Got it, sir. Sir, my third question is the -- you highlighted LME prices which have moved. Now how are the domestic aluminum premiums because you had highlighted previously that they change with a lag. So have they increased in recent times? Or you see the premiums increasing in the domestic sale?

Abhay Kumar Behuria: Premium has increased. Our earlier premium was around $60. Now it has gone up to around -- we did the tender last around $110. Premium has increased by around $50.

Pinakin: Got it. And do you expect this to increase further, sir, the domestic premium?

Abhay Kumar Behuria: That premium increase was due to that war situation in the Middle East. Now since the war situation is easing out, we are expecting that it may remain the same or maybe it may go down also.

Pinakin: Got it, sir. And sir, my last question is because of the war situation in the Middle East, where any of your export shipments impacted, which will now normalize either in alumina or aluminum.

Abhay Kumar Behuria: Yes. A few of the shipments, like one shipment was earlier ordered. Of course, that was before the war, which was ordered at $390 also. That has got materialized. So we are getting better realization in that. As far as other shipments are concerned, other shipments, whatever is getting ordered, they are going. No other pending shipments are there.

Moderator: The next question is from the line of Mr. Vikash Singh from ICICI Securities.

Vikash Singh: Sir, 2Q usually being a monsoon season has traditionally been weaker, especially on the coal input side. So just wanted to understand, had we have sufficient coal inventory, including the captive this time? And any one-off cost escalation or any disruption we have experienced so far?

Brijendra Pratap Singh: As far as our power plant is concerned, that is in Angul, that is for our smelter, there we are having sufficient coal because that coal we are getting from our captive source, around 60%, 70% of coal we are getting from the captive source. So their issues are not there. Of course, in our refineries, the coal stock is on the lower side.

The coal stock, we have to maintain at the level of maybe 10 to 15 days. Now it is around 2 to 3 days. That is because of the restriction given by the government, the priority of the rakes there, we are heavily dependent on the rakes from the railways and the priority is given to the power plant.

So there are some issues are there. We are taking it very aggressively with the Indian Railways and our Ministry and some improvement is there. And since now the restrictions -- summer is over, restrictions will come down. So we are expecting that the stocks will also improve in the coming days.

Vikash Singh: As long as the rake availability for the shipment is concerned, there's no problem so far?

Brijendra Pratap Singh: No, for that shipment, our own rakes are there for the dispatching calcined alumina. For that, no issues are there. We have got our own BTAP rakes for that, no issues are there.

Vikash Singh: So sir, second question pertains to about our 0.5 million ton aluminum plant capex. Could you give us some highlights at what stage of Board approval these plants are, when we will start on this and the capex?

Brijendra Pratap Singh: For this 0.5 million ton smelter plant, we had developments as far as, as of date, if it is we will see. We have already got technology supplier finalized that is EGA. We are going to sign technology license with them this -- maybe this month by 10 or 15. So DPR making is under process. The consultant is making the DPR.

Our target is next 3 to 4 months, we will be ready with the DPR and get the Board approval maybe October, November for the DPR for setting up this 0.5 million ton smelter and also 1,000-megawatt power plant.

After that, maybe we'll take 8 to 9 months to order the packages. By next year, August, September, we should order all the packages and start the groundwork maybe next year, October, November. And from there, it will take 3 to 3.5 years to set up this plant. So the time lines which we have given to the Ministry and our internal time line is by December 2030, we have to complete this plant along with the power plant.

As far as the power plant is concerned, power plant, we have done one JV agreement with Neyveli Lignite for setting up this power plant so as to reduce our capex and to have the raw material security, that is the coal. NLC is having the coal mines here itself in Talcher district. So the coal supply will be from there. So that will be good for this power plant.

So this power plant DPR is also under process. So at the same time, both will get ordered and get commissioned by 2030 end or 31 first half. capex is concerned, the overall capex expenditure will be somewhere around INR25,000 crores and this will start from financial year '27, '28 and the peak will be '28-'29 and '29-'30 and '30-31.

This will be the 2, 3 years where this capex flow distribution will be there. This year, for that project, no major capex will be there. Of course, technology licenses, we have to give something maybe INR300 crores, INR400 crores. But the major capex will be coming next financial year onwards.

Vikash Singh: Noted, sir. Sir, just one clarification. The shipments of the exports which we do to Russia, is it on a dollar-denominated or is in the Russian currency? And whatever the dollar-denominated sales we do in the export market? We booked the dollar to rupee at the time of shipment, right?

Brijendra Pratap Singh: No, whatever shipment our exports are going, that is on a dollar basis at the time of ordering and our tender is floated. We do the spot tender, and that is the dollar rate as of that date.

Vikash Singh: Okay. But then the booking happens, the sales got booked at the time of shipment, right?

Brijendra Pratap Singh: Booking -- actually, we do the spot tenders. And the date of opening the spot tender at that date, whatever the dollar prices are there, that is finalized.

Moderator: The next question is from Manav Gogia from YES Securities Limited.

Manav Gogia: Sir, my first question comes on the captive coal mines. So we were targeting a 4.8 million ton production for FY27. So can you just elaborate on where we are in the EC process for our mine expansion?

Brijendra Pratap Singh: Already, the mining plan approval we have done -- for mining plan approval is to be done from the Board. This Board, we have done the mining plan approval. And now we are applying for the EC. The next maybe 2, 3 months, we'll be getting the EC.

So already, we have started the production and 4.8 million tons, we are sure. We are going at the rate of 4.8 million tons or monthly breakup whatever we have done. The next 2, 3 months, we'll be getting EC from MoEFCC. So there are no major issues in that.

Manav Gogia: Okay. That's good to hear. And could you just give me what was our total coal production in Q1 from a captive mine?

Brijendra Pratap Singh: Q1 was 8.80 lakh tons. Because initially, what happened -- initially 4, 5 days in the beginning of Q1, 5 days, the production from the mines were not there. There were some technical issues. Now we have ramped up the production. And the subsequent quarters, we'll be managing those whatever shortfalls were there.

Manav Gogia: Okay. Can you just repeat the number once more, sir?

Brijendra Pratap Singh: 8.80 lakh tons.

Manav Gogia: Okay. Sure. And sir, my second question is now the Pottangi mine, we have already appointed an MDO. When do we see the production to take place? Or has it already started?

Brijendra Pratap Singh: Pottangi mines, actually, one -- we have already ordered the MDO. And for going to the mines and starting the production, one road is to be made, 8-kilometer road. For making the road, tree cutting is to be done. We have along with district authorities, some resistance is coming there, some activists and some resistance are coming there.

District authorities, 2, 3 times, we have tried along with the state government, police force and all that. We are trying to mobilize the locals there along with the MDO. And I think in this month, this month itself, that is in the month of August, along with the authorities, we will be again going there for making the road. Once the road making will take around maybe 15, 20 days, that method we are targeting maybe September, October onwards. October onwards, we'll start the production.

Manav Gogia: Okay. Sure. That is quite helpful, sir. Sir, one last question I had. As of the March 2026, our total employee count was roughly 4,880. What would the employee count be as of right now or as of Q1 end?

Brijendra Pratap Singh: As of now, it is 4,848.

Manav Gogia: Okay. So there could be another 150 -- 150 to 170 employee reduction more by the year-end, right?

Brijendra Pratap Singh: Every year, we'll be around 200. 170 to 200 every year reduction will be there in coming 3, 4 years.

Moderator: The next question is from the line of Amit Murarka from Axis Capital.

Amit Murarka: You mentioned the mechanical completion of the alumina plant in September and roughly additional 200 kt production, right? So -- but next year, then can we assume the full run rate of this capacity?

Brijendra Pratap Singh: Yes, yes. Next year onwards, we have to do. We will be going to 1 million ton production from there and already we are 2.2 million, 2.3 million, going from the existing. Maybe we'll be going to 3.1 million, 3.2 million next year onwards.

Amit Murarka: Sure. Also on this local market premium for aluminum, how does it really work? You enter into some contracts once the premium is fixed or is it like goes with the spot market itself?

Brijendra Pratap Singh: Actually, we do export tender from export tender we discover premium. That is loaded on the domestic prices, what we do. That is loaded on the domestic pricing, LME. Domestic pricing is based on the LME.

Amit Murarka: No, no, I'm not talking about the premium. So when you sell in the local market, the premium that you book or charge customers in the local market is also based on some benchmark, let's say, MJP benchmark, something like that or you will not...

Brijendra Pratap Singh: On the MJP, we do what we -- process we follow is we do an export tender. In export tender, whatever premium we do, that premium is fixed for the next 3 to 4 months unless and until we do the next export tender. So suppose we did an export tender last month, we got a premium of $110. So that premium will be loaded on the domestic pricing for next 3 to 4 months until we do the next export tender and we discover the premium.

Abhay Kumar Behuria: You are talking about the metal price or alumina?

Amit Murarka: Aluminum, the sales that you make locally.

Abhay Kumar Behuria: That is our policy, what CMD sir has explained that is our -- we have a structured policy for fixing the aluminum price. And there are other factors are also there. One factor is premium, whatever premium is discovered for tendering, export tendering, that is added to our aluminum price domestic supply, okay?

Amit Murarka: Sure, sure. Got it. So -- and it is revised based on every tender that you do?

Abhay Kumar Behuria: Every tender, yes. The frequency of tender depends 3, 4 months, so we do normally.

Amit Murarka: Right. Also, what is the capex outlook now for FY27, '28, if you could provide the numbers?

Brijendra Pratap Singh: Our target is INR1,500 crores. Maybe we'll be crossing that. We'll be somewhere ending up with around '26, '27 you are talking.

Amit Murarka: Yes, this year as well as next year.

Brijendra Pratap Singh: This year, it will be -- our target is around INR1,500 crores because most of the payments for 5th Stream is done. So major capital expenditure is not there. But still, we'll be doing somewhere around INR1,500 crores to INR1,700 crores or INR1,800 crores. Next year onwards, it will increase because our expansion of the smelter will be there. So next year, how much we planned?

Abhay Kumar Behuria: Next year, we have planned roughly around INR2,500 crores...

Brijendra Pratap Singh: INR2,500 crores maybe in '27, '28. After that it will go to maybe INR4,000, INR5,000 after that -- maybe INR6,000 crores, INR7,000 crores. We have done the phasing and the major expenditure will come from the smelter expansion and power plant expansion.

Amit Murarka: Sure. Got it. And also captive coal, I think earlier you had mentioned about 4.6-odd million tons production this year. So you seem to be on track on that?

Brijendra Pratap Singh: Yes, yes. Captive coal last year, we did 4 million tons. This year, we are targeting 4.8 million tons because 20% increase is allowed for that, all permissions and all that under process. And on a monthly basis, we are producing at the rate of 4.8 million tons, and we'll be achieving that at the end of the year.

Moderator: The next question is from Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia: Sir, just continuing on the previous question. So one on the capex, can you share 1Q, how much we spent? And then for the expansion, I just want to know the power capex will happen in the JV. So will we be contributing only to the amount of equity, which could be maybe around 20%, 30%. So just if you can explain how the power expansion capex will happen?

Abhay Kumar Behuria: Yes. Our capex plan, what CMD sir, already explained, smelter, we are going to do EPC more. And for power plant, we have JV with NLC and we'll be doing both. Okay? So contribution to total expenditure towards our capex for up to 2030, '31 will be around INR24,000 crores.

INR17,000, INR18,000 crores on smelter and INR6,000 crores towards contribution for this power plant, 1080 megawatt power plant through JV.

The total cost will be around INR12,000 crores and INR6,000 crores from our side and INR6,000 crores from NLC, because 50-50 JV is there. In power plant, we have debt/equity ratio, 30:70. So if you follow that, our equity contribution will be lower. It is around INR3,500 crores. Our share will be balance INR1,750 crores.

And balance will be financed through bank through our NALCO and NLC will be the guarantor, because this is a new JV, we will be the guarantor and the money will be taken from the bank. So if you see -- otherwise, if you see our fund base, if you see our balance sheet as on date, we have a fund base of around INR3,500 crores. So every year, we are adding INR3,500 crores after paying our dividends and all our capex regular.

So if you see that area, we need not to take any money from the outside because we have sufficient balance. Since we have entered into the agreement of JV agreement for power plant, so the power plant will be financed by that company, JV company, equity participation will be 30%, 70% will be taken from the bank.

So balanced money, which we have we'll be utilizing for our expansion project of smelter and other projects we are also considering that will be entirely through equity because we have sufficient balance. So the power plant will be 70-30, 30 equity based -- debt/equity ratio is 30:70. So that is the present proposition, and we are going to go by this philosophy.

Sumangal Nevatia: Understood. Sir, for the power plant, INR12,000 crores for 1,000 megawatt. I mean, generally, the thumb rule is INR7 crores, INR8 crores per megawatt. So why is the cost so higher?

Abhay Kumar Behuria: See, it is not -- sorry, 1 megawatt, I think, INR10 crores, 1 megawatt. So it will be INR10,000 crores to INR11,000 crores. It is not higher, because we're going to set up 1,080-megawatt per plant.

Sumangal Nevatia: Okay. Understood. And sir, what you said was the cash balance as on 1Q, net cash? INR10,500 crores?

Abhay Kumar Behuria: Yes. As on 30 June 2026. As on date, it is INR10,500-plus crores.

Sumangal Nevatia: Understood. And in 1Q, how much did we spend for capex?

Abhay Kumar Behuria: This year, or you are talking about the...

Sumangal Nevatia: Only in the first quarter.

Abhay Kumar Behuria: I think, INR350 crores.

Sumangal Nevatia: Understood. Understood. Sir, I wanted to understand that on the previous question on sales of metal, you shared it is -- I mean, the premium is decided as per the export tender. So the domestic price, just to clarify, it is the LME plus the custom duty plus whatever we get as a premium in the export. Are these 3 components there?

Brijendra Pratap Singh: There are some handling charges and some stockyard charges, something are also added on that. It's on that basis -- transportation charges.

Abhay Kumar Behuria: From port to our A point and the port to the customer point, because you have a calculation model. The three factors is there, you have rightly mentioned that is the export and import duty plus premium plus handling charges and plus freight equalization, what freight customers would have paid to their location, what they will be paying from our location to their location.

Sumangal Nevatia: Understood. Sir, can you share what were these 3 components for 1Q? LME, we know, but the breakup of the realization...

Abhay Kumar Behuria: LME is in our domain, you can get it from our website, I think pricing policy is there. So that policy, we need to see whether it is a classified one or not, we can share or not.

Sumangal Nevatia: Okay. Okay. That's fine. And sir, just one last thing. On the aluminum metal, you said INR15,000 to INR16,000 increase in cost. So this is roughly -- yes.

Abhay Kumar Behuria: Yes. INR15,000 to INR16,000.

Sumangal Nevatia: Yes, yes, INR15,000 to INR16,000. So this is with respect to fourth quarter or with respect to last year as an average?

Brijendra Pratap Singh: Last year average was 156 – 1,57,000 around -- 1,57,000. This year, average Q1 is around 1,70,000.

Sumangal Nevatia: And so for the -- as per the today's trend, 2Q should be what, sir?

Brijendra Pratap Singh: Q2 will slightly increase because CP Coke prices and caustic soda in Q2 will be slightly higher, not much higher, maybe it will go to 172,000 or 170,000, 172,000. It depends on how much efficiency we are achieving.

Sumangal Nevatia: Understood. And just one last question, sir. I mean when you are adding around less than 1 million tons of captive coal this year, what is the cost saving? What is the difference between the cost of captive coal versus what we are replacing, linkage or e-auction coal?

Abhay Kumar Behuria: Our cost of captive coal, which we are sourcing from our own mines, it is around -- landed cost is INR1,600 per ton. If you compare this cost with our coal come -- there are two types of coal we are taking from the Coal India. One is the agreement to FSA linkage, Fuel Supply Agreement. Another is through auction. So FSA coal is around almost same range in INR1,600, INR1,700.

And if you see that auction coal, it is varying from INR3,500 to INR3,600. So there is a difference in the auction coal. And if you see the FSA coal, FSA coal, we are not regularly getting because of the rack supply. So the auction coal is too higher than our captive coal. So there is a great advantage between auction coal and our captive coal, okay? That is INR1,500 almost.

Sumangal Nevatia: Okay. And sir, last year, what is the breakup of our goal? How much was linkage and how much was e-auction?

Abhay Kumar Behuria: Last year, if you see a, linkage and e-auction.

Brijendra Pratap Singh: Around 55, 45...

Abhay Kumar Behuria: Linkage and e-auction?

Brijendra Pratap Singh: Yes. And -- linkage and e-auction.

Abhay Kumar Behuria: They are talking about -- because...

Brijendra Pratap Singh: Out of total, 7.2 million, 4 million is our own, we are taking 3.2 million from Coal India. Out of 3.2 million, linkage and e-auction, how much will be the linkage?

Abhay Kumar Behuria: Linkage was around 34 million. 30 lakhs from our CPP and 10 lakh from linkage. And auction coal it was around 1 million. 10 lakhs.

Brijendra Pratap Singh: Just -- we will take up the data and let you know.

Sumangal Nevatia: Sure, sir. That was my last question. I will wait for the answer.

Moderator: The next question is from Digant Haria from GreenEdge Wealth.

Digant Haria: Sir, just two questions I had. One was on the aluminum metal price outlook, like -- and because the Middle East was destroyed 1 or 2 big production factories, when they come back on stream, what happens? What is your expectation of aluminum metal prices? That's number one.

And number two is that in recycled aluminum, also, India is seeing a lot of investment, like, does NALCO have any plans? And can that impact our sales going forward 2, 3 years later. These are the 2 questions.

Brijendra Pratap Singh: Metal prices, as of now, it is $3,200. LME is $3,200. So what forecasts are telling CRU and Platts and all that, that the remaining part of the year, that will remain somewhere around $3,100, $3,200. We are also expecting to somewhere in between $3,000 to $3,200 will be the LME in the remaining part of the year. Because whatever smelters are supposed to come in the Middle East, that will be coming maybe by end at the Q4 of this financial year because these smelters will take some time more than 7 months, 8 months more.

So supply restrictions, projections are there. There will be a deficit of around 0.88 million tons of metal in the international market. If you see the production and consumption patterns, there is a deficit of around 0.88 million tons. So will be there somewhere around $3,200.

And as far as recycling is concerned, we are talking about recycling. In our -- as far as NALCO is concerned, recycling basically is done for the secondary producers, who are making small, small quantity and since we are a major producer. So we don't go into a recycling because that also disturbs the quality of the metal we produce in aluminum sector, the quality of the metal is very important, the purity of the aluminum. Whenever the recycling is done, the quality assurance is not there. So our plans for recycling is not there.

Moderator: The next question is from Akhilesh Kumar from Emkay.

Akhilesh Kumar: So my first question is that for this quarter, did we have any LME-linked contracts for alumina? And if yes, then how do we stand for the quarters ahead of us?

Brijendra Pratap Singh: Just we could not get you, if you can repeat your question?

Akhilesh Kumar: Yes, sir. So my question is on -- did we have any LME-linked contracts for alumina for 1Q '27. And if yes, then how do we stand for the quarters ahead of us?

Brijendra Pratap Singh: Term contract in Q1. I think in the beginning, 1 or 2 shipments are there. We have to see it. But now as of now, last 2, 3 months, we are -- 2 months, we are not having any, that we call as a term contract, which is linked to the LME, that is not there because we had a few tenders in which the percentage was very low. It was coming around 10% of the LME. That's why we canceled that tender because spot prices we are getting better.

Akhilesh Kumar: So is it fair to say that for FY27 also for the remaining of the year, we won't be having any term contracts?

Brijendra Pratap Singh: Actually, we go for the tender, we will be doing some tender. If we get the better prices then only we'll go because as of now, if we are getting $370, and the percentage-wise, if we get only 10%, 11%, so around $3,200 LME, that will come to maybe around $320. So we don't order that. So it totally depends on we'll be doing tender if we get the better prices around 12%, 13%, 14%, then only we'll book the order.

Akhilesh Kumar: And can you, sir, also explain how we are getting this $50 of premium versus our 1Q average, which you said was around $320 for alumina? And now for this quarter, you're expecting it to be $370. So why this differential there?

Brijendra Pratap Singh: Whatever premium I was talking, that was for metal, aluminum. Alumina -- we are not -- alumina, whatever we are selling that is a spot tender, fix price. Suppose we are doing a spot tender, and on that spot tender, whatever -- suppose we are getting $370 per ton or $350 whatever, that is a fix price for tender per shipment.

But that premium I was talking was for the metal, for aluminum, whatever aluminum we are selling in the domestic market. On that, we load some premium. That depends on whatever export. We do secure some export of the aluminum also. Some metal export also, we do. We do 500,000 tons every month. In that export tender, whatever premium we are getting that is loaded to the domestic customers.

Akhilesh Kumar: Sure. So, is it fair to say that for second quarter alumina realization could be close to $360, $370 for NALCO?

Brijendra Pratap Singh: Yes, yes. Already, this month, July, we have spot tenders, August spot tender also somewhere around $370 we are getting. Last spot tender, we have done 2, 3 that also, we got $380. So Q2 average $370, I think we'll be getting Q2.

Abhay Kumar Behuria: But we have mentioned, the last quarter this was around $323, and the next quarter will be expecting $50 more, that is true for spot tendering or term contract, whatever it is. We are expecting that, because the price trend what is now is being prevailed. It will give us $50 more than our annual realizations, first quarter.

Akhilesh Kumar: Got it. And, sir, second question is on the bauxite to alumina production. So, for this quarter, we have used kind of 3.2 tons of bauxite for 1 ton of alumina, which is efficient if we compare it to the last few quarters, which was at around 3.5 tons of bauxite. So, any particular reason for this improvement? And can we expect this to sustain ahead also?

Brijendra Pratap Singh: It totally depends on the quality of bauxite we are getting from the mines. And basically, they have started a few new phases, in there, in our mines. So, when the quality of bauxite is good, so per ton consumption of bauxite, it goes down. In the coming days, because we are going to start South Block 2 also, where we'll be getting better quality of bauxite.

Now our North Block, which was a very old block, that has almost exhausted. So, we are starting some new phases where the bauxite quality will be better. So average specific consumption of bauxite will be getting better.

Akhilesh Kumar: Sure, sir. Thank you so much. That is it from me.

Management: Just one query was there on the linkage coal and all that. Our Director of Production is there. He is going to answer that.

Pankaj Kumar Sharma: Basically, for our CPP, we are utilizing linkage coal and Utkal D and E coal. Last year, we have utilized 47.16 lakh tons coal from linkage through MCL and Utkal D and E, 40 lakh tons. We are taking coal from through e-auction for our alumina refinery. And through linkage, last year, we purchased 11.24 lakh tons through linkage and e-auction coal around 7 lakhs. So approximately 40% coal of -- total coal used in refinery is purchased through e-auction and balance is through linkage.

Moderator: We have next question from Pathanjali Srinivasan from Sundaram Mutual. Please go ahead.

Pathanjali Srinivasan: I just wanted clarity on one...

Moderator: Sir, please be a little bit louder, sir, please?

Pathanjali Srinivasan: Yes. Am I audible now? Is it better?

Moderator: Is it better.

Pathanjali Srinivasan: Yes. Sir, so you had mentioned about these premiums for metal at around $110 currently. Can you tell us what was it in the last time when you had done the revision? And what is the impact between them and now?

Brijendra Pratap Singh: Last time we have done around 5, 6 months back. At that time, we got the premium was around $60? Somewhere around $60.

Pathanjali Srinivasan: Okay. But based on what you're saying, your premium has only increased. But I think in your presentation, you had mentioned something like premiums are declining or premiums are likely to reduce, war-risk premium? Can you tell me the difference between the two?

Brijendra Pratap Singh: You see the premium totally depends on the demand/supply. If the demand is more, the supply is lesser, the premium, we get better. Now last time when the tender we did, at that time, the supply restrictions were there due to this war situation. Since the war situations are easing out, so even the smelters in the Middle East, they are trying to improve the production. In the subsequent months when this phases out, the premium will go down.

Pathanjali Srinivasan: Got it, sir. And just one question. Your new Alumina Refinery that you're starting, what will be the difference in terms of cost of production versus your current plants because the current plants are much older, right?

Brijendra Pratap Singh: Cost of production in the expansion unit, you are talking about?

Pathanjali Srinivasan: Correct.

Brijendra Pratap Singh: We have calculated for our expansion unit, fifth stream, the cost of production will not be much high because our average -- if you see our current cost of production of alumina, this -- last year, it was around INR20,000. But this year, first quarter, we have got around INR22,766, because of the increase in caustic soda and fuel oil, that is HFO. These were the 2 major contributors that has increased.

In our new refinery, the fifth stream refinery, the advantage which we'll be getting is that is a pressure digestion, where the caustic soda consumption will be on the lower side. The caustic soda consumption in our existing refinery, which is around 103 kg to 105 kg per ton of alumina production, that should go up to -- go down to around maybe 85 to 90 kg per ton of alumina production. And that will reduce our cost by maybe, I think by INR1,000 or INR1,500 per ton as far as the alumina cost is concerned, and other areas like manpower cost and all that because that is a big unit, 1 line producing around 1 million ton .

Now from 4 lines in the existing refinery, from 4 lines we are producing 2.1 million tons. So, the fixed cost, that is the manpower cost will also be on the lower side. Of course, the interest is not there. The depreciation will be loaded. Some depreciation will be loaded on the cost. But what we have calculated, the overall cost of the existing the refinery and the new refinery will be almost same, new refinery also somewhere around INR20,000, INR23,000 will be the cost coming.

Moderator: The next question is from Falguni Datta. Please go ahead.

Falguni Datta: Sir, I just have one question, just a clarification. Our current alumina capacity is 2.1 million tons, right?

Brijendra Pratap Singh: Yes, yes.

Falguni Datta: And sir, after expansion, how much is this going to become?

Brijendra Pratap Singh: You see our current capacity is 2.1 million ton, but last year, we produced around 2.3 million ton. So, we have done on 0.2 million tons excess of our capacity. With expansion 1 million ton will be added. So, after expansion, we are targeting -- the rated capacity will be 3.1 million tons, but we'll be targeting around maybe 3.2 million tons or 3.3 million tons.

Falguni Datta: And sir, this comes up from -- when this extra 1-million-ton capacity?

Brijendra Pratap Singh: One million tons. This year, only 0.2 million tons will be added. From next year onward, that is '27, '28.

Falguni Datta: Okay. '27, '28. We will have full 3.1 million tons.

Brijendra Pratap Singh: Yes.

Falguni Datta: So then obviously, we'll have -- as of now, we are selling what closer to 1 million tons, right?

Brijendra Pratap Singh: Last year, we sold around 1.4 million tons, 14 lakh tons. This year, we are planning 1.6 million tons. So, after this goes to the full capacity because in our smelter, we require only 0.9 million tons, 0.95 million tons. The rest has to be sold in the open market.

Falguni Datta: So next year, we'll get an extra 1 million tons? Meaning full...

Brijendra Pratap Singh: That has to be sold.

Moderator: Abhay Bhai, we will take Mr. Rajesh Majumdar from 360 ONE Capital. Yes, Falguni ma'am is back.

Falguni Datta: What was the cost of this 1-million-ton new refinery?

Abhay Kumar Behuria: Around INR5,600 crores.

Falguni Datta: Okay. And interest will, sir -- this is was -- one more thing, sir, this is all through internal accrual, right?

Abhay Kumar Behuria: Yes, it was internal accrual. No Interest will be loaded. Depreciation only will be there.

Falguni Datta Thank you.

Moderator: The next question is from Mr. Rajesh Majumdar. Please go ahead.

Rajesh Majumdar: I have a few questions on the bauxite alumina part. First of all, on the existing bauxite mines at Panchpatmali, what is the balance life of the Panchpatmali mines, and what is the reserve there? And Pottangi mines, what are you producing right now? And what is the capacity you can go up to next year?

Pankaj Kumar Sharma: Basically, at our Panchpatmali bauxite mine, we are having a reserve of around 110 million tons. And in addition to that, we have acquired new mines which is also having around 100 million tons, 120 million tons. So, if we take the rate of -- present run rate of this thing, it later around

85 lakh million tons, around 8 million tons per year if we take. So we can say that the balance life of our Panchpatmali bauxite mine will be approximately 15 to 20 years.

Rajesh Majumdar: Okay. And I understand that the Pottangi mines, the bauxite quantity is better due to which the cost of production for the new alumina expansion is going to be lower. Is that correct?

Brijendra Pratap Singh: Please repeat.

Rajesh Majumdar: I'm saying the quality of bauxite, which is going to be mined from the Pottangi mine is going to be incrementally positive for the cost of alumina production going forward. Is that correct?

Pankaj Kumar Sharma: Basically, the quality of bauxite at Pottangi mine, we will come to know after detailed exploration and all after development of mines. So at this point of time, we cannot be 100% sure that we will be getting that advantage.

Rajesh Majumdar: Okay. So then how are you assuming that the caustic soda requirement for the new expansion will be lower based on the plant specification, not on the bauxite? Is it caustic soda...

Pankaj Kumar Sharma: Basically for this year, we will be feeding bauxite from our existing mine to the new fifth stream. And as the production of Pottangi bauxite mine starts, then only when we will be using Pottangi mine bauxite, and this bauxite, both will be mixed and proportionately will be used in our fifth stream as well as in fourth stream.

Rajesh Majumdar: So then the cost of production is likely to fall further with the Pottangi mines being operational fully, is that correct?

Pankaj Kumar Sharma: I think more or less, it will be same.

Brijendra Pratap Singh: Yes, because you see when the new mines are operated the quality is better. And the more mines become older, we go deeper the quality is deteriorating. So this will be a new mine. So, the quality will be getting better. And in our new refinery, which is coming out with the pressure digestion, with the new technology, there the caustic soda consumption advantage will be getting due to the new technology in the refineries.

Rajesh Majumdar: And sir, I wanted to ask on the alumina realization one question because we track something on the LME, which is a different number from the one you get on the $370 because LME average for last quarter is $320, $325, but you've got $370. Could you tell us which countries the broad breakup of the exports is? And why is there a difference between the LME and your realization?

Brijendra Pratap Singh: As far as -- you're talking about alumina?

Rajesh Majumdar: Alumina, yes.

Brijendra Pratap Singh: Alumina is not directly linked with the LME. It totally depends on the demand, supply of the alumina. Now earlier, we used to get from -- if you compare to LME, it was, we are getting around 14%, 15%. Now it has come down to 10% to 11%. Most of our alumina are going to the Middle East as of now also, around 60%, 70% of the alumina is going to Middle East by some route or other. And a few of the aluminas are also going to maybe Europe, some China some shipments are going.

So actually, what is happening is the bauxite prices has gone up also slightly, New Guinea due to rains and all that. In Rusal, Russia and also China, two of the major refineries, they have curtailed the production of alumina because of the red mud issues there. So, some temporary supply restrictions are there, which has caused to the increase in alumina spot prices to the level of $370, $380, which we are seeing with the easing out of this war situation and supply requirements in -- the requirement of alumina in the Middle East, which will continue to the same level.

Rajesh Majumdar: Right. So, on the long term, the alumina prices will gear towards 14%, 15% of revenues. Is that the right assumption as the production comes back in aluminum? Is that a right assumption?

Brijendra Pratap Singh: Not 14%, 15%, maybe 11%, 12%. Because LME on the higher side, LME is around $3,200, $3,300. So, alumina, if you see percentage-wise, it not goes more than 11% to 12%.

Rajesh Majumdar: Right sir. And sir, my last question was on the net debt. Did you mention that the net debt is INR10,000 crores now?

Brijendra Pratap Singh: Net debt?

Rajesh Majumdar: Net cash. Net cash, sorry.

Brijendra Pratap Singh: Net cash, that is cash reserves. We are 0 debt company.

Rajesh Majumdar: No. What is the net cash as on the balance sheet as of the first quarter? cash minus net debt.

Abhay Kumar Behuria: That is around INR10,500 crores.

Rajesh Majumdar: So that means that through the year, even after your dividend payments, you will end up with a INR15,000 crores kind of cash. Is that a correct number? And balance cash flow and the capex. So, if you see the balance cash flow for FY27?

Brijendra Pratap Singh: Our Director of Finance will explain you every year, how much we will be adding in the cash.

Abhay Kumar Behuria: We have a balance of INR10,500 crores now every year, seeing our profitability and the PAT, we are adding INR3,500-plus crores, because we are expecting earning the PAT of INR6,000-plus crores. This year also, we are projecting to earn INR6,000-plus crores and next year onwards also.

So, after paying our dividend and our normal capex expense is around INR1,500 crores. So, the noncash item will be added to PAT. We will be adding INR3,500-plus crores every year. So, when our capex funding will be there, we will have a sufficient cash reserve with hand. So, we can easily finance our requirements through our internal accruals only, okay?

Rajesh Majumdar: And that capex on the smelter will be approximately or INR4,000 crores, INR5,000 crores per annum?

Abhay Kumar Behuria: Yes, yes. Because we have already explained that, for a power plant, we have gone for a JV. So, requirement of fund will be lesser there because that will be funded through debt/equity ratio, debt is 30-70 -- 70-30. So, the balance in our smelter pack will be funding through our internal accruals. So, we need not go to the market for borrowing for our smelter expansion, see, our cash reserve and our future earning potential.

Rajesh Majumdar: And sir, one last question, if I could sneak in. The capacity of the aluminum right now is on the 960 ports we are operating is 4.6 lakh tons. So, is there a possibility of any brownfield kind of growth there? Or it will be limited to 4.60 lakh tons only? Like in the case of alumina, you have come from 2.1 million tons to 2.3 million tons.

Pankaj Kumar Sharma: Although we are having capacity of 4.6 lakh tons. Last year, we have produced around 4.72 lakh tons. And this year also, we are expecting we will be producing around 4.76 lakh tons, 4.77 lakh tons.

Rajesh Majumdar: I think, you can go up slightly more.

Pankaj Kumar Sharma: We are operating -- as on date, we are operating around 958, 959 ports.

Rajesh Majumdar: Okay. So realistically, you can go to 4.75 lakh tons kind of number, totally in aluminum?

Brijendra Pratap Singh: Yes, yes. 4.75 lakh tons.

Pankaj Kumar Sharma: Yes. We will do.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Bharat Kumar Sahu for closing comments. Please go ahead, sir.

Bharat Kumar Sahu: Thank you, Shailendra. On behalf of NALCO, I thank all the esteemed participants who took out their valuable time and actively participated in this earnings call of NALCO. This shows your keen interest in the business activities of NALCO and also in the future, we expect a similar kind of cooperation from your side.

Thank you, Chorus team for facilitating this post earnings call for this Q1 results of NALCO. I also thank Systematix Group for continuously hosting this post earnings call of NALCO on a quarterly basis, and we solicit similar kind of cooperation in future also. Thanks. Thank you all.

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

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