09th November, 2026

To,

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
BSE Scrip Code: 512455

National Stock Exchange of India Limited
Corporate Communications Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
NSE Symbol: LLOYDSME

Sub: Transcript of the Conference Call for investors and analysts for Q2 & H1FY27

Dear Sir/Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), and in furtherance to our intimation dated 29th October, 2026 regarding Conference call with Analyst(s) /Investor(s) held on Wednesday, 04th November, 2026 we would like to inform that the transcript of the aforesaid conference call is attached herewith and the same is also available on the website of the Company at https://lloyds.in/investors/analyst-and-investor-meets-and-presentations/.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,
Yours Sincerely,
For Lloyds Metals and Energy Limited

Akshay Pankaj Vora
Digitally signed by Akshay Pankaj Vora
Date: 2026.11.09 16:52:12 +05'30'

Lloyds Metals and Energy Limited Mumbai

Akshay Vora
Company Secretary

Encl.: As above.

"Lloyds Metals and Energy Limited

Q2 and H1 FY27 Earnings Conference Call"

November 04, 2026

MANAGEMENT: **MR. RAJESH GUPTA – MANAGING DIRECTOR – LLOYDS METALS AND ENERGY LIMITED**
MR. RIYAZ SHAIKH – DIRECTOR OF FINANCE & CHIEF FINANCIAL OFFICER – LLOYDS METALS AND ENERGY LIMITED
MR. S.K. NAREDI – DIRECTOR FINANCE – THRIVENI EARTHMOVERS PRIVATE LIMITED
MR. HEMANKUR UPADHYAYA – DIRECTOR, INTERNATIONAL STRATEGY AND OPERATIONS

MODERATOR: **MR. PARTHIV JHONSA – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Lloyd's Metals & Energy Q2 and H1 FY27 Earnings Conference Call hosted by Anand Rathi Share and Stock Brokers Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on date of this call. These statements are not a guarantee of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. I now hand the conference over to Mr. Parthiv Jhonsa from Anand Rathi. Thank you, and over to you, sir.

Parthiv Jhonsa: Thank you, Danish. Good afternoon, everyone, and thank you for joining us today. Before we start the call, we would like to wish the management of Lloyds Metal & Energy and everyone who has joined this call, a Happy Diwali in advance. We at Anand Rathi are pleased to host Lloyds Metal & Energy Quarter 2 and H1 FY27 earnings conference call.

From the management, we have with us today Mr. Rajesh Gupta, Managing Director; Mr. Riyaz Shaikh, Director of Finance and CFO; Mr. S.K. Naredi, Director of Finance from Thriveni; and Mr. Hemankur, Director, International Strategy and Operations. I would like to invite Mr. Rajesh Gupta for his opening remarks, which will then be followed by a question-and-answer session. Thank you, and over to sir.

Rajesh Gupta: Good evening, everyone, and a warm welcome and Happy Diwali for the coming week. Thank you, Parthiv and the entire Anand Rathi team for hosting this call today. I'm pleased to share that the first half of FY27 has been the best H1 in the company's history, record revenue, record EBITDA and record PAT on both a stand-alone and a consolidated basis with the best ever H1 margin.

Riyaz will take you through the numbers in detail. So rather than dwell on this quarter alone, I would like to use my time to talk about something I feel more strongly about, where this company is headed and why I believe the best of Lloyds is still ahead of us. What we are building is a fully integrated ecosystem. From the ore in the ground to finished steel, from the mines of Gadchiroli to the critical mineral belts of the world, let me walk you through the pieces.

It begins with our original resource base, that is the Surjagarh mine, which will give us iron ore for the next few decades. And we continue to scale it responsibly with a green and increasingly electrified mining fleet. But the real transformation is going to be our BHQ Beneficiation initiative. BHQ, which are banded hematite quartzite, or low-grade ore, was treated as a waste by most of the mines in India.

We are building one of the largest manufacturing platforms in the world to convert this very material into a high-quality competitive feedstock. This gives us a raw material advantage that

very few anywhere in the world will be able to replicate, and it is the foundation on which our low-cost, low-carbon steel ambition rests. The second pillar is logistics. Our slurry pipeline is quietly becoming one of our biggest competitive advantages as we can see.

The first pipeline is already running at full capacity and has actually lowered our freight cost for iron ore. And we are now extending this to a much longer and larger pipeline network, which will carry our beneficiated materials over long distances, eliminating the movement of fine iron ore by truck almost entirely.

The cost and carbon advantage of moving millions of tons by pipeline instead of road is enormous and will only be compounded as the volumes grow. I want to touch base on our value-added products, which have been the cornerstone. On pellets, both our plants of 4 million tons each capacity are running in excess of the rated capacity, and we are debottlenecking towards higher output while adding a third pellet plant as well.

We remain among the most competitive and largest merchant pellet producers in the country. And then comes steel, the next big leg of our value creation journey, 1.2-million-ton integrated steel plant producing wire rod is progressing well and moving steadily towards commissioning. The next part of the story that I'm probably most excited about is copper and critical minerals like cobalt.

Through our Chemaf operations in the DRC, where we are a shareholder with an American company, we are building 2 integrated copper and cobalt complexes at Etoile and Mutoshi. They come with a fully captive ore, integrated captive sulphuric acid and plants located right next to the mines.

At full potential, these operations will produce 74,000 tons of copper and 20,000 tons of cobalt a year. Surya Mines is being repositioned for a lower-cost restart, as we secure captive higher-grade ore. These are -- there are geopolitical headwinds, and we are addressing the near-term cost challenges, but the long-term logic of captive ore and in-house mining through Thriveni's expertise remains compelling.

Looking ahead, our partnership at Panguna gives us access to one of the greatest -- world's greatest untapped copper sources, an asset which at its peak produced around 175,000 tons of copper every year. We are still in the early stage here, but we are going ahead in the Lloyds' way, community first with landowners and local communities as long-term partners.

Putting it simply, copper is transforming Lloyds from a domestic iron ore company transitioning to steel, and then finally, a relevant player in the minerals that the world needs most for its energy transition. Now about Thriveni. None of this would have been possible without Thriveni. Thriveni has become a diversified pan-India mine developer and operator spanning iron ore, coal, manganese and now gold and is scaling rapidly across Odisha. And beyond this, the operation gives us a premium view of what is happening in the metals space.

Naredi ji, of course, will speak to this in details, but the trajectory and the breadth of the platform it has built remains very strong. I want to leave you with one thought. The margins we are

reporting today are not one-off. They are the results of years of patient integrated building of captive ore, captive logistics, rising share of value-added products and disciplined cost control.

And the pipeline that I've described, beneficiation, pipelines, pellets, steel, copper, power is designed -- captive power is designed to keep deepening that integration and keep compounding value over time.

We are not chasing volume for its own sake. We are building a business that is structurally advantaged and built to last. Again, on the behalf of entire Lloyds Metals and Thriveni family, I would like to wish all of you, our investors, analysts, partners and everybody's family a very Happy and Prosperous Diwali. With that, let me hand over to Riyaz, who will run you through the financial performance.

Riyaz Shaikh: Thank you, Rajesh ji. Good evening, everyone. Let me take you through our stand-alone financial performance for the second quarter and the first half of FY27. The stand-alone financial performance. Revenue from operations for Q2 stood at INR4,132 crores, up 62% year-on-year. For H1, revenue was INR9,545 crores, a sharp 94% growth over last year. EBITDA for quarter 2 came in at INR1,538 crores, up 83% year-on-year, and for H1 at INR3,658 crores, up 126% year-on-year.

This growth was driven by higher iron ore EC limits, a faster-than-planned ramp-up of the pellet plant and improved sponge iron volumes. PAT for quarter 2 was INR1,112 crores, up 84% year-on-year, and for H1 was INR2,639 crores, up 113% year-on-year. The right lens is the year-on-year growth and the H1 picture, both of which are very strong.

I want to dwell on margins because this remains the real story. Our H1 EBITDA margin came in at 38.33%, the best half-year margin the company has ever reported and an expansion of 542 basis points year-on-year. Our Q2 margin stood at 37.22%, up 419 basis points year-on-year. Three factors are driving this: first, the commissioning of the slurry pipeline lowered the logistics and freight cost on iron ore. Second, higher realizations across products strengthened the overall mix.

And third, more structurally, a better product mix with a higher contribution from value-added products like pellets led to meaningful margin expansion. This shift is visible in our mix. Value-added products now contribute 61% of stand-alone revenue and 67% of EBIT in quarter 2 versus 43% and 49% a year ago. This is a structural re-rating of the earnings base, not a cyclical spike. Now coming to the product-wise performance, firstly, iron ore.

Iron ore production for quarter 2 was 3.95 million tons, up 15.5% year-on-year with H1 production at 10 million tons, up 35% year-on-year. Sales were 2.12 million tons in quarter 2 and 7.59 million tons in H1. Realization stood at around INR670 per ton with an EBITDA of INR2,082 per ton in quarter 2 and INR2,239 for H1. Our monthly run rate remains upward of 2 million tons. To DRI and Power, DRI sales volumes were 160.6 kilotons in quarter 2 and 343.1 kilotons in H1, up 81% and 104% year-on-year, respectively.

DRI realization stood at INR31,040 per ton in quarter 2 with an EBITDA of INR9,231 per ton. Power volumes were up 82% in quarter 2 and 85% in H1 year-on-year. Pellets. Pellets

production was 2.11 million tons in quarter 2 and 3.81 million tons in H1 following the commissioning of our second pellet plant in May. Realization stood at INR11,348 per ton in quarter Q2 and INR11,520 for H1 with EBITDA of INR4,604 and INR4,988 per ton, respectively.

The slurry pipeline and captive ore, coupled with strong realization, drove these robust pellet margins. Our sales mix was 71% domestic and 29% export. capex and net debt. The company incurred capex of INR6,052 crores in H1 FY27, as we continue to build out our downstream steel and beneficiation projects. Stand-alone net debt as on 30th September 2026 stood at INR9,316 crores, comfortable relative to the EBITDA the business is now generating, even through an intensive capex cycle.

Let me add one point at a consolidated level. Our consolidated net debt remains below INR20,000 crores. A significant part of this pertains to the debt acquired as part of the Chemaf acquisition, which we are actively working to renegotiate on more favourable terms which would bring our group net debt down meaningfully. We will keep investors informed as and when this materializes.

To summarize, a record first half on revenue, EBITDA and PAT and our best ever H1 margins, up by 542 basis points year-on-year. With that, I will hand over to Naredi ji for Thriveni's performance.

S. K. Naredi: Good evening, everyone, and thank you, Rajesh ji and Riyaz. For us at Thriveni, growth has always been about disciplined execution and getting the fundamentals right quarter after quarter. Let me take you through the Thriveni's performance for Q2 and H1 FY27. Financial review overall, Thriveni, revenue from operations for H1 stood at INR4,608 crores, that is up 43% year-on-year with Q2 revenue at INR1,936 crores, up 22% year-on-year.

EBITDA for H1 came at INR884 crores, up 85% year-on-year with margins at 19.18%, an expansion of 436 basis points over the last year. Cash PAT for H1 was INR558 crores, up 116% year-on-year, with cash PAT margins improving 410 basis points to 12.11%. We are actively pursuing pass-through of these higher input costs to our clients, and those negotiations are currently underway.

Having said that, the half-year picture remains healthy with H1 margins up 436 basis points year-on-year, and we remain focused on newer operations reach full-scale utilization. Iron ore volumes, including BHQ, stood at 11.22 million tons in Q2 and 30.31 million tons in H1. Coal volumes from our Indian operations, including overburden, were 18.82 million cubic meters in Q2 and 44.84 million cubic meters in H1.

Baryte volumes were 1.66 million cubic meters in Q2, and gold was also 0.17 million tons in H1. Full-scale mining operations commenced at Western Hill, and our FY27 equipment mobilization plan has been completed on schedule. We now have 88 electric equipment units operational at the mine and a further 20 are at the railway siding.

We have also mobilized 14 mobile crushers and 26 heavy earthmoving equipments for BHQ crushing and are mobilizing higher capacity equipment, including EH5000 Ultra Class dumpers

and large excavators to support the enhanced production. A 100-ton diesel dumper has already been converted to LNG hybrid operation, as we build our green fleet.

Odisha Coal and Gold. In Odisha, the equipment rental operations commenced at Tata Joda West Manganese Mine. Also, production at DC Jain Dalpahar Mines, which commenced in October this year, and rental equipment for few other mines of Tata are also under discussion, namely Tata Joda West Iron and Manganese Ore Mines, Vijay-II iron ore mines, Tata Tiringpahar Iron and Manganese Mines, Bamebari Iron Ore and Manganese Mines and Khondbond manganese

On the coal side, at PB North West, we have successfully commissioned and operationalized both streams of the coal handling plant, and we have also completed the rehabilitation and resettlement of 3 major villages during this quarter. On gold, the mining plan for the company, which was erstwhile known as GeoMysore India Private Limited.

The name of which has been changed to Thriveni Lloyds Swarnagiri Private Limited, has been approved for opencast and underground operations for 1.5 million tons per annum with a processing capacity of 1.5 million tons per annum. Here, Thriveni is undertaking mining operations, exploration as well as processing plant operations.

So the outlook as Thriveni's focus remains very clear, scale responsibly, execute efficiently and protect margins through productivity and cost optimization. The pipeline into the second half across Gadchiroli, Odisha, and coal is strong, and we are confident of sustaining both growth and profitability. Thank you, and wishing you all a very, very Happy Diwali. Thank you.

Moderator: Thank you. Ladies and gentleman we will now begin the question and answer session. The first question comes from the line of Jashandeep Chadha with Nomura.

Jashandeep Chadha: Sir, my first question is regarding the core business of iron ore. If we see your realization per ton is significantly higher than the benchmark realization that we see. So just wanted to understand this premium that you're getting over benchmark. How much of this will be sustainable? And what will be the reason that you're getting this?

And in line with that also, I wanted to understand if we try to back calculate the iron ore required for your pellet, sponge iron and then iron ore sales, it appears the number should be higher than your production numbers. Can you just explain how is that working out? That will be my first question?

Rajesh Gupta: So regarding the benchmark realization, I don't think there's any specific benchmark in India. Our price of INR6,700 reflects the quality. It's one of the best iron ores available, except maybe one company. And it reflects that pricing. It's a market which is quite open, and I wouldn't say -- I mean, it's a good market. So we are having a pricing system of our own. In fact, just today, we had a pricing meeting.

And based on the end product market as well as our stocks and order book, we decide the market -- the pricing. I think this pricing can sustain over a period quite easily. Regarding the question of overall balancing, with 26 million tons of iron ore available for -- till 2051, we think we are quite well placed in terms of balancing. I think there's some miscalculation maybe at your end

or something, but definitely, we are not expanding beyond our iron ore availability in downstream value-added products.

Jashandeep Chadha: Yes, sir. I was largely referring to this quarter. We were doing a calculation, and we found that the production should have been of around 4.5 million tons, but no worries. I'll get in touch with the IR team after this call and see how calculation...

Rajesh Gupta: Rainy season is lesser production. That's the basic fundamental.

Jashandeep Chadha: No worries, sir. Sir, my second question is on Thriveni. So Thriveni has been generating close to 25%, 23% of EBITDA margin. However, this quarter, that margin has dipped. Any specific reason for that dip? And should we -- for a longer-term basis, sustainable basis, should we build Thriveni at 25%, 26% EBITDA margin only?

S. K. Naredi: Q2 always being rainy season, it has been historically that Q2 is always low. Q2 is slightly better than Q1, but from Q3 and Q4, we scale up. So if you just see the numbers, the overall numbers of H1 and H2, it increases drastically. Due to rains, all the iron ore production as well as coal productions are badly hampered. And this year, particularly in Odisha and Jharkhand, both the places, there were heavy rains.

And in terms of coal also, due to these geopolitical issues for the pricing of HSD and explosives, we had to suffer a little bit. So that has also affected a little bit of our profitability and EBITDA margins. But now, those things -- as I told in my speech, that now we are having the pass-on mechanism with the mine owner, NTPC. And now, we are hopeful that this high cost will be absorbed, and we don't foresee any challenges in achieving the EBITDA what we have projected.

Jashandeep Chadha: Understood, sir. And if I can squeeze one more. Yes. Largely, on the expansion of steel HRC 3 million tons and also your approvals or ongoing negotiation with PNG, so if you can give some update on that. Along with, sir, update on Chemaf, I believe, for the 50 kt plant, oxidized -- sulphuric oxide plant was under construction. And also in Surya, I think JORC estimates were going on. So if you can just give us a total update on that, that would be great, sir.

Rajesh Gupta: Jashandeep, you are squeezing in more than many in one question, but you are asking most of the questions which many people will ask. On the steel plant of 3 million tons, our status is right now as follows: number one is that we have got land acquired of around 1,200 acres. Number two, we have an EC, the environment clearance of 4.5 million tons in hand. Right now, we are starting -- out of this EC, we're only starting the power plant, which will be used for powering our beneficiation plant as well as the pellet plants.

So that is the only thing that we right now started the active work on. We are studying -- we are giving the studies to make an overall complex study for -- to the Chinese. That study is getting ready. The final configuration is getting ready, and we'll decide on the exact framework of our plant capacity as well as machinery required in the next couple of months. So that's where -- and I think Hemankur is there. He'll be glad to answer the questions on the copper operations, Hemankur?

Hemankur Upadhyaya: Yes, sure. Thanks. Thanks, Rajesh ji, and Happy Diwali to all in advance. See, copper operations, basically, the market has been quite bullish. So I'll just update quickly on the 3 projects, and we can take more detailed questions later on, if there are any.

So in terms of operations at Chemaf, we are actively developing both the projects. We are confident of completing them by the end of this financial year and have them in production in FY28. So all the tie-in works, et cetera, is going on. Both these plants have a dedicated sulphuric acid plant. So that's a great advantage in the current market because sulphuric acid is in shortage and has impacted a lot of miners, including our plant at Surya Mines.

Both of these have captive mines, so which means that we don't have to look at buying ore from the market. And it is fed from mines which are within the 5-kilometer radius, hence, great logistics advantage there. Also, we have got the power allocations from the state government there. So all 3 raw material sources is locked in. So I think we are looking at getting it up and running in FY28 so that our production can rise meaningfully.

In terms of Surya Mines, basically, there are headwinds because the plant is operating on ore from third-party market. You talked about the JORC resources. We continue drilling on the exploration licenses which are there. So I think it will take some time because JORC is a lengthy process, and it's something which we will have to wait for entire drilling results to come for the large amount of area. I mean, the area is huge.

So it will take some time for us to get there. Although -- I mean, we have JORC in Chemaf, but that was done over a period of 4 to 5 years between 2015 to 2020. So we benefit from the work which has been done by the past shareholders there. But for Surya Mines, I think we are progressing, but we'll take some time to get to JORC standard. In terms of production, we have been facing challenges in terms of supply of sulphuric acid because it does not have a dedicated sulphuric acid plant.

So one, cost is high. Second, availability itself is a challenge because sulphur to sulphuric acid is 1 is to 3. And DRC being a landlocked country, there are limited sulphur to sulphuric acid plants. Hence, they have been making a lot of money. So in fact, in between, we supplied some sulphuric acid from Chemaf plants to Surya Mines to overcome the shortage that is there.

Third, because the mines are far away from the plant, it is around 70, 75 kilometers, so -- and diesel cost in DRC has been very high. It is like $3.2 per liter, which is, I mean, almost 3x of what we see in India. That is a result of the West Asia crisis as well as landlocked country because to transport diesel there also is high.

So given that, we are having limited production because of several challenges in this regard. But we have a plan in place to kind of look at potential ways to solve that through our own or through potentially building a sulphuric acid plant as well as looking at some intermediate product transfer from Chemaf.

Then coming to PNG, basically, it's very early stage. We feel confident that we have the trust of the people. But I think getting to the finish line is something which we are looking at. So we are

actively doing a lot of training, skilling, building trust with the people. So I think in that phase to start the operations, basically, it will take some time and finalize the agreement.

So currently, we are focusing upon 2 things only: one is working with the government on what is the right model of operations; and second, working with the people on how we develop a long-term plan for inclusive growth. So that's where we are because the asset is proven, so there is no risk of proving the ore there. It is a well-established asset. It's more about what is the right model and way to develop for a sustainable long-term goodwill as well as inclusive growth of the society there. Yes, thanks.

Riyaz Shaikh: Jashandeep, before we close on this question, I would just like to clarify on that material balance. I guess, you missed on the opening balances of the ore what we had as the closing balance last year. So that, I think, is not taken into consideration that's why you -- that material balance does not mean -- I think your numbers are not getting matched.

Moderator: Our next question comes from the line of Siddharth Gadekar with Equirus Securities.

Siddharth Gadekar: Sir, my first question is on the Chemaf debt. Sir, when do we expect the restructuring of that debt to be completed?

Hemankur Upadhyaya: So we are looking to -- Hemankur here, so we are looking to close it within the next 3 to 4 months. So before the end of this financial year, it will be done.

Siddharth Gadekar: So, sir, effective net debt would be around $250 million in Chemaf or below that?

Hemankur Upadhyaya: No. So there are 2 parts to it. Basically, one is an existing historical debt, which is the past creditors. And also, we are looking at some debt from U.S.-backed parties. So net debt in the longer run in the asset will be somewhere around $500 million from the current levels of around $800 million. And this includes the capex incurred for the plants because we are also spending money to complete the plants. So it includes the debt taken for completing those plants.

Siddharth Gadekar: So, but from a consolidation perspective, we are consolidating the entire debt, but attributable to Lloyds would be only 49%. Is that understanding right?

Hemankur Upadhyaya: Yes, that is correct. So actually, consolidation-wise, it will be consolidated full because of the control provisions, so which means that P&L will also be consolidated full. But yes, 51% of the profitability will be going out as minority interest.

Siddharth Gadekar: Okay. Sir, second question is on the India operations. We have spoken about debottlenecking of pellets, the wire rod capacity coming online in the fourth quarter and beneficiation coming online next year. So any sense on volumes, how should we see the volumes for next year in these 3 segments?

Rajesh Gupta: Our volumes would be similar. We would be adding the 20% add-on, 9.6 million tons. That should get -- it should become from 8 million to 9.6 million tons in the next 3, 4 months. This year, our volume should touch about 8 million tons. And next year, it should be around 9.5 million tons.

Siddharth Gadekar: And on wire rod utilization for next year?

Rajesh Gupta: Wire rod utilization, we are in the stages of pre-commissioning right now. Blast furnace and coke oven should get started in Q4. And steel plant and wire rod mill should get started in Q1 2027. It delayed by a quarter or so, the steel plant particularly, but it's a huge plant. And I think within 2 years of the EC, we would have commissioned this plant. It's more or less a greenfield plant like.

Siddharth Gadekar: Sir, lastly, just on beneficiation, should we expect some beneficiation volumes coming in next year or it will be FY29 where we should see those volumes?

Rajesh Gupta: FY29. Volumes of iron ore remains at 26 million tons throughout the period. Relevant or usable iron ore will remain at 26 million. The benefits should start in '29.

Siddharth Gadekar: And just one last thing on the BHQ that we are mining. So we are keeping it aside to use it as and when the beneficiation capacities come online. Is that a fair understanding?

Rajesh Gupta: Not only keeping it aside to use it in the future, but also to assist in the mining of this 26 million tons that we are doing every year.

Moderator: The next question comes from the line of Manav Gogia with Aditya Birla Institutional Equities.

Manav Gogia: Sir, my first question is for Mr. Naredi. Can you just throw some light once more on the MDO with Tata Steel? And if you could just give us how the volumes and the time lines will look? And what is the expected MDO per ton from the same?

S. K. Naredi: Tata Steel, in fact, we are not directly doing the MDO business. They have -- Tata Steel has a company BRPL, Brahmani River Pellets, where Tata Steel and Lloyds Metals are joint venture partners. And BRPL is going to rent certain equipment from us. There are certain mining leases of Tata Steel which are getting expired . So they just wanted to scale up the production.

And these mines, what I stated in my initial discussion that they are giving us these mines to scale up the production. And we are expecting that at equipment contracting would help 12 million to 14 million tons of iron ore and around 1.5 million to 1.8 million tons of manganese from next year onwards. The negotiations are on. The rates have not yet been finalized, but we are in the advanced stage. And hopefully, very soon, we'll start it.

Recently, we have just started one mine, that Tata Joda West Mine. That we have started, where we have started doing some small quantity of manganese. And hopefully, from next month onwards or say December onwards, these things will start.

Manav Gogia: Understood, sir. And at the current Joda West Mine, how would the MDO per ton be shaping up, if you could give some sense to it?

S. K. Naredi: Because this is very mini scale, so we are not in a position to give you the values and amount because now we are in the process of mobilizing the equipment to be rented and all those things are there. So maybe the next quarter, we'll be in a better position to give you the proper outline that how much we are going to get out of this.

Manav Gogia: Understood, sir. That is helpful. The second question is on the copper front. So in the presentation, it basically mentions that there are some challenges with the shortage of high-grade ore, the feed from your own mines. So just wanted to see your view on how are you going to tackle such a situation in the near term because your long-term aspirations depend on the captive ore where you want to have it.

And what should we look from a realistic grade of copper at your mines? Because there's usually a deviation when it comes to the ore grade between the studies done and how the actual one usually come out.

Rajesh Gupta: Hemankur?

Hemankur Upadhyaya: Yes. So see, if you have JORC resource established, which means that it is very extensive drilling. So probably, I mean, just to get -- I mean, you would understand or should be able to relate to the Surjagarh asset. So I think when we started, we were not confident of what grade it will be because the initial grade will be there. But once you do drilling, which means that it's a very scientific methodology, you know which segment, every 1 cubic meter is what grade.

So then you maintain multiple stockpiles and you decide on what particular grade is to be fed. So there are certain portions which will be high grade, certain portions which are low grade. So you maintain different stockpiles of high grade, low grade, then you create the blend, you know what blend.

So it's a very scientific methodology. Hence, whatever is proven JORC reserves, there is very little deviation that you would expect on mining it because it's already like proven with a very high level of accuracy.

Manav Gogia: So we can basically make an assumption that whatever challenges we are getting right now, probably a little short-lived and those will be overcome quite easily, right?

Hemankur Upadhyaya: Yes, yes. So let me just correct possibly the challenge in the case of Surya Mines, I mentioned, is primarily because the ore is coming from other parties, so which means that the large part of the profit will be captured with the mine owner. It is something similar to you can say, like a steel plant or an iron ore provider. So iron ore mining margin will remain with the iron ore miner, steel will be a conversion business. So basically, it will be like that.

So -- and we don't have the established JORC reserves, although we are completing and in the process of doing the drilling, but it will take some time to evaluate that and finish it. But yes, until we have captive ore, basically, you will be dependent more on the market. Once you have captive ore, then effectively -- which means that effectively mining margin gets combined with the processing margins.

Rajesh Gupta: And Mr. Gogia, to add to Hemankur's answer, the Surya Mines is around 12,000 tons targeted production, whereas the Etoile and Mutoshi Mines are around 75,000 tons of production targeted in copper plus 20,000 tons of cobalt. So as a percentage, as what Lloyds owns, it's around 12 out of 87, where we are having a small problem.

Manav Gogia: Got it. Got it. That is quite helpful. Just one last question, sir. If you could give me the targeted capex for FY27 and '28 as well. I think we did INR6,000 crores in the first half.

Riyaz Shaikh: We did around INR6,000 crores in the first half. We should be doing a similar or a little bit -- not less, but something more in the second half. So it should be around INR13,000-odd crores in this whole year. We look at a similar figure in the next year also. And then we -- as Rajesh ji had mentioned about the steel plant, what is the figure of steel plant coming up, then the majority would accordingly will be worked on that. So it will be around -- again, around close to INR10,000 or more in that -- in the year '28.

Moderator: Our next question comes from the line of Vikash Singh with ICICI Securities.

Vikash Singh: Sir, just wanted to understand in terms of our capital allocation policy, since we are pursuing multiple geographies as well as multiple products. In terms of lucrativeness, could you just rank them, the most lucrative opportunity to the least one? And what are the capex which we are going to spend in the next 3 years on individually copper through Thriveni, and then, the domestic we know basically?

Rajesh Gupta: I think each business in itself is quite lucrative by any standard. If you look at Thriveni, which is a service business and a steady business, we are having around -- in H1, we are having an EBITDA margin of around 18% and should be more for the full year like last year, which is the least EBITDA accretive. But at the end of the day, it is still a very, very steady business. The copper business, depending on the pricing, if we take today that $14,500-odd.

It is obviously very, very price effective at the EBITDA as well as PAT level and so is iron ore and steel. And each of the processes that we look at internally are EBITDA accretive. We don't look at only from the start to the end, but each level, we have to have the value addition to be able to qualify for capital allocation.

For example, now we are putting money into power because power rates by the government are pretty high, and we are trying to lower our overall costs. So the revenue may not come from outside, but our cost will be lower.

We are looking at solar power, again, to continue on the same theme to reduce our cost as well as, of course, to be green. So that's the basic logic. In terms of figures, I think it's very difficult to define which one is the most and which is the least because it's a cyclical business, and it does change from time to time.

Moderator: The participant has left the queue. Our next question comes from the line of Ritesh Bhagwati with Alpha Plus Capital.

Ritesh Bhagwati: Congrats on good set of numbers. My first question is towards our copper targets. So on Slide 15 in our presentation, we have targeted copper production at 8,000 to 10,000 tons for full year FY27. However, on Slide 20, I see under the road-to-road ramp-up, we are talking about FY27 at 5,850 tons. So I just want to understand exactly what is the real FY27 targets for the copper?

Hemankur Upadhyaya: Yes. Let me clarify that. So I think 5,850 is the target that we are looking for the full year. So in fact, earlier when we had disclosed in the last quarter, the target was higher at 8,000 tons. But given the challenges that we are having in Surya, a large part of the effort is going towards completing the Chemaf plant because ore is coming from Chemaf through its own mines.

And hence, we are looking at a slightly lower target than what we had anticipated earlier because the incremental margin is just a processing business. Sourcing third-party ore is, in the current market, less lucrative. Hence, we are not looking at ramping it up full. So we may be looking at some cost optimizations there before we go to full production.

Ritesh Bhagwati: Okay. That makes sense. Secondly, like we have also mentioned that we are planning for $300 million of NCDs to be raised. But then, however, the purpose is not yet clear. So what would it be used for if you could elaborate?

Riyaz Shaikh: That's an enabling resolution what we have taken. So we just wanted to keep ourselves ready if such an opportunity arises. And we already have this resolution in place, and we can go ahead with it. And everything obviously will be used more and more for capex or that's what the intention is.

Moderator: The next question comes from the line of Meet Bhuva with Entigrity Ventures & Partnerships.

Meet Bhuva: So I think I might have missed on the Chemaf debt side that you have answered. So we have -- currently, we have $800 million of debt. And in the PPT, it did mention that same will be cleared around in $250 million or something. And then you have mentioned that there will be a $500 million debt spill after these discussions as well. So can you please clarify again on this part?

Hemankur Upadhyaya: Yes, 100%. So basically, as I mentioned, we are also incurring capex. And for incurring that capex, ultimately, initially, it is funded through our investment. But ultimately, we are looking at raising that from the U.S. parties, some of the very well-known investors as well as some of the multilateral institutions.

So if that is coming in, basically, it will increase the debt in the company, but it will create more cash in the books for us. So yes, at the Chemaf level, the long-term debt will be around $500 million, which includes the debt for completing the plants and the capex for completing the plants and settlement of the past outstanding creditors, which are there.

Moderator: The next question comes from the line of Mehul Panjwani with 40 Cents.

Mehul Panjwani: Sir, I have one question regarding the debt and the borrowings. So with approximately about INR18,100 crores of CWIP already and our borrowings at INR22,500 crores, and we have further investments planned in the thermal power plant and Thriveni. So how should we look at the funding requirements over the next 2, 3 years?

Riyaz Shaikh: I didn't get your numbers because the debt what we are doing will be around INR9,500 crores of borrowing what the company has done on a stand-alone basis. So that numbers what you mentioned of INR25,000 crores is something what we have actually. If you're talking from the

credit rating aspect, then it is something what we have planned for the future projects also, and we have got all those things rated together.

So that's how that number is. Otherwise, all our projects, we would obviously look at some -- at reasonable figures of less than 75%, around 60%, 65% of debt to equity. And that is how we have planned for all our capex.

Mehul Panjwani: Okay. And sir, so what is the -- do we plan to reduce debt in the coming -- I mean, by the next financial year also, I mean, because our debt is quite high?

Riyaz Shaikh: Our debt is not high as we would say. It would be like on a reasonable level considering the income what the company is generating, the expansion, the projects what we are undertaking. So our debt is not in that level, it is not gone high. It's very much within the -- within 1x and what we are trying is always 1, 1.5x of the coming 12 months EBITDA.

So we keep our debts accordingly, and that's our plan. We don't -- and yes, once the projects start coming up, and then, once the repayments are starting, then obviously, the debt reduces as per the repayment.

Rajesh Gupta: Can I add one point in this? When he says about capex, all this capex is paying off. Every 2 years, 2.5 years, our top line is becoming our bottom line, okay, including this quarter -- including this half year, if you look at 2 years past record, our top line is -- our bottom line is more than that year's top line. So with that kind of growth, sustainable growth, profitable growth, the numbers may look high as a stand-alone absolute figure, but by any financial parameter, it is quite well under control.

Mehul Panjwani: Right, sir. Sir, my another question is about the profitability. Q2, as we see, it has witnessed a sharp decline in mining segment -- from mining segment and also the Thriveni MDO. So can you please elaborate on what has led to the deterioration?

Rajesh Gupta: I think this question was answered earlier.

Mehul Panjwani: Sorry, I joined a bit late, yes, sorry.

Rajesh Gupta: So it is there in the presentation also. Basically, in the rainy season, we have lesser output. Cost remains the same. Especially in Thriveni segment, cost remains the same, and that's the main reason. If you look at H1 this year versus H1 last year, our margins are better by around 200 basis points -- 400 basis points, I'm sorry. I was just trying to find that slide. So it is continuing in a positive way. It's difficult to -- again, with the growth, the overheads are there, the income doesn't start immediately.

Mehul Panjwani: Okay. So every Q2 for us is normally generally weak, is it, because of monsoon?

S. K. Naredi: Every Q2 is weak due to rainy season. And this Q2, particularly due to the geopolitical when the prices of HSD and explosives went up, the profitability got extra hit. But overall, now these are being passed through. And from always because this has been a historical that Q2 is always weaker as compared to other quarters.

Rajesh Gupta: And this being a classic hedge operation, Q2 of Lloyds Metals does not necessarily become weak compared to other quarters to that extent. So it actually hedges our overall process.

Mehul Panjwani: Sorry, sir, can you repeat? I didn't get this one, last one, what you mentioned.

Rajesh Gupta: Q2 in this year, our EBITDA margin is 37% in Lloyds Metals stand-alone. Our H1, H2 margin is also 38%. So that remains steady. Yes. And that's what we keep saying that Thriveni becomes a classic hedge operation with annuity business, I should not call it, he will not like it, but it's a steady business. And that's the way the cash flow flows.

Mehul Panjwani: Right. So sir, can we expect H2 to be superior, quite strong compared to H1?

Rajesh Gupta: Our volumes in Lloyds Metals will go up for sure. Our volumes in the MDO will go up. Our copper operations, we have discussed that in this year would be slower in H2. So I leave alone -- I leave the rest of the calculation to you guys…

Mehul Panjwani: Sorry?

Rajesh Gupta: DRI operations will also be very strong.

Mehul Panjwani: Right. Sir, hypothetically, if the war was not in -- was not there in the entire H1, you would have reported a far superior numbers?

Rajesh Gupta: I cannot go into hypotheticals like that, my friend.

Mehul Panjwani: No, I mean just to -- I'm not looking at any quantification, but just as a...

Rajesh Gupta: Wars and violence helps no one, that's my fundamental thinking. And looking at equating a theoretical thing with financials is beyond my core of understanding and explanation.

Moderator: Our next question comes from the line of Parthiv Jhonsa with Anand Rathi Share and Stock Brokers.

Parthiv Jhonsa: Sir, I'm just -- it's a bit fundamentally different question. It's pertaining to Bougainville actually. Considering Bougainville is still an autonomous government, right? And the target what you have laid down is quite steep. I believe it's like about 175,000 tons of copper on an annualized basis.

By when -- because I believe it's still a couple of quarters down the line when they'll get complete independence and everything, so by when can we start building in this number of copper, the very first ounce basically?

Rajesh Gupta: No, no. My opening statement was not about what our target is. My opening statement is what was being produced 40 years back in that operation. Okay. So I have not made any target. We have not signed any contract. Let's not jump ahead. We have no projections for PNG.

Parthiv Jhonsa: Okay. Okay. But if we just back of the envelope calculation, considering the grade, I think it even has a gold content in it, if I'm not mistaken. What can we look into it? How fast?

Rajesh Gupta: It's very, very early days to quantify any operations, volume, value, content of that operation at the moment.

Moderator: Thank you so much. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Riyaz Shaikh: Thank you very much, gentlemen, for joining us for the update on quarter 2 and the first half of the company. And wishing you all a very Happy Diwali. Hope we have all -- answered all your questions and to your satisfaction. If anything else remaining, anything pending, you can always get in touch with us. So we'll be happy to share and give you all the replies and the answers to your questions. Happy Diwali once again. And thank you very much to the Anand Rathi team for hosting this call.

Rajesh Gupta: Happy Diwali to everyone and to Parthiv and the Anand Rathi team.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Anand Rathi Share and Stock Brokers Limited, that concludes today's call. Thank you for joining us, and you may now disconnect your lines.

Note: *This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings.*