

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: 30.01.2026 को आयोजित आय सम्मेलन कॉल की प्रतिलेख/
Transcript of the Earnings Conference Call held on 30.01.2026.

श्रीमान/Dear Sir,

Further to our letter dated 30.01.2026 and pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, enclosed please find the transcripts of the Earnings Conference Call held on 30.01.2026 for discussions on Company's business and outlook post declaration of Unaudited Financial Results for 3rd Quarter and Nine months ended 31st December, 2025

Neither any Unpublished Price Sensitive Information (UPSI) was shared during the aforesaid Earnings Conference Call nor is mentioned in the enclosed transcripts.

This is for your information and record.

धन्यवाद/Thanking you.

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

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

Encl.: As above

नेशनल एल्यूमिनियम कंपनी लिमिटेड
 (भारत सरकार का उद्यम)
निगम कार्यालय
 नालको भवन, नयापल्ली, भुवनेश्वर -751 013 भारत

National Aluminium Company Limited
 (A Government of India Enterprise)
REGD. & CORPORATE OFFICE
 Nalco Bhawan, Nayapalli, Bhubaneswar-751013, India

CIN # L27203OR1981GOI000920

Tel.:0674-2301988-999, Ext.:2265, 2266, 2267, 2585, 2587, E-mail:company_secretary@nalcoindia.co.in, Website:www.nalcoindia.com



A Navratna CPSE | A Govt. of India Enterprise

National Aluminium Company Limited

Q3 FY '26 & 9M Earnings Conference Call

January 30, 2026



Investments Re-defined



A Navratna CPSE | A Govt. of India Enterprise



NALCO MANAGEMENT TEAM

Shri Brijendra Pratap Singh – Chairman-cum-Managing Director

Shri Pankaj Kumar Sharma – Director (Production)

Dr. Tapas Kumar Pattanayak – Director (HR)

Shri Abhay Kumar Behuria – Director (Finance)

Shri Anil Kumar Singh – Director (Commercial)

Shri Bharat Kumar Sahu – Company Secretary

MODERATOR

Ms. Shweta Dikshit – Systematix Group

Moderator: Ladies and gentlemen, good day, and welcome to the Earnings Call of National Aluminium Company Limited, NALCO, post declaration of the financial results of quarter and 9 months ended December 2025, hosted by Systematix.

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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Shweta Dikshit from Systematix. Thank you, and over to you, ma'am.

Shweta Dikshit: Thank you. Good evening, everyone. On behalf of Systematix Group, we welcome you to the 3Q FY '26 and 9 months FY '26 Earnings Conference Call of National Aluminium Company Limited. I would like to thank the management for giving us the opportunity to host this call. I now hand over to Mr. Bharat Sahu, Company Secretary, NALCO, to discuss the company's financial and operational performance for the third quarter and 9 months FY '26. Over to you, sir.

Bharat Sahu: Thank you, ma'am. Namaskar. Good evening. Warm greetings from National Aluminium Company Limited, Navratna. CPSE under the Ministry of Mines. I take pleasure in introducing the NALCO team in today's post earnings call. The team is headed by Shri. Brijendra Pratap Singh, Chairman-cum-Managing Director; Shri P.K. Sharma, Director, Production; Dr. Tapas Kumar Pattanayak, Director, HR; Shri Abhay Kumar Behuria, Director, Finance and Shri A.K. Singh, our newly inducted Director, Commercial.

Today, NALCO registered a landmark results for the quarter and 9 months ended December 2025 after the Board took note of the results in the Board meeting held today. The presentation in this regard is already uploaded in the website and also in the stock exchanges, NSE and BSE. Now I will request our CMD sir to kindly highlight the results and the outlook of the company in the coming days. Over to you, sir.

Brijendra Singh: Good evening to all. Today, we have declared our results Q3 and up to Q3 results as far as our performance, physical and financial performance. Both we have recorded best ever physical performance in Q3 and also up to Q3 and also best ever financial performance up to Q3 and also physical performance. If you see the growth as compared to '24-'25, the growth which we have recorded up to Q3, that is 9 months, '24-'25 if you compare with year '25-'26, 9 months.

Income side, we have a growth of 13% and expenditure in spite of our increase in income by 13%, our expenditure has increased by only 6%. EBITDA margin has increased by around 20% and PBT has increased by 25%. That is a 9-month comparison. Volumes of production has increased by 20% in alumina and metal by 3.5% and sales of alumina has increased by 45% and metal by around 5%.

This is the first 9 months performance if you see. If you see quarter-to-quarter performance, our volume has increased by around 4% to 5% in terms of hydrate production, metal production and our metals -- our alumina sales and metal sales has also increased by around 20% and 5%. So there has been a strong both physical and financial performance and main reason of this physical and financial performance has been the increase in the volume of production. We have increased the volumes of production.

If we see the increase in the revenues, our revenues has increased by around Rs.2,000 crores, 9 months revenue as compared to previous 9 months last year. And out of that Rs.2,000 crores, the contribution of alumina is around Rs.1,600 crores and metal around Rs.410 crores. Price has a negative impact of around Rs.871 crores, where alumina prices fell by from around \$562 to around \$385 this year average and there was a negative impact of Rs. 1,652 crores.

But metal prices have increased, which has given us a positive impact of Rs.781 crores, that is increase from \$2,538 to \$2,867. So we have increased our revenues and our expenditure has not increased that much and that has increased by only Rs.500 crores. That is, this is the 9-month figure total.

And we have saved in power and fuel, the power, which we imported last year was on the lower side. The saving in the power and fuel was around Rs.142 crores. Employee cost has also gone down by around Rs.118 crores. So the 9 month performance has been very good.

And quarter-on-quarter, if we compare the quarter results, Q3-Q3, this year Q3 and last year Q3, if we compare the income has increased by around Rs. 200 crores and the expenditure has not increased that much, only around Rs. 60 crores, Rs. 70 crores expenditure increase has been there and the profitability has increased from Rs. 2,121 crores to Rs. 2,131 crores. That is the PAT.

So the main contribution and the contributing factor has the increase in the volume of production. In spite of reduction in the prices of alumina, our profitability, we were able to

maintain because of increase in volume and better efficiencies that is the improvement in techno-economic factors, that is caustic soda consumption, CP coke consumption.

Of course, some techno-economics were not very good, but these two major techno-economics have been there. So we are working on that. And further, we are working on increasing the volumes of production, maximizing our efficiencies, which is in our hands and operating the plant in a proper manner so as to maximize our profitability. Thank you.

Bharat Sahu: Ma'am, we may now invite questions from our esteemed participants.

Moderator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask questions may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue you may press star and two. Participants are requested to use answers while asking a question. Ladies and gentlemen, we will wait for a moment where the question to assemble. Thank you. The first question is from the line of Amit Lahoti from Emkay. Please go ahead.

Amit Lahoti: Thanks for the opportunity. Congratulations on a good set of numbers. My first question is on alumina contracts. Operators you line is echoing; can you please check. In Q3, how much alumina shipments were linked to LME and how much were spot sales? And what is the spot versus contract mix in Q4.

Brijendra Singh: Okay. That is the only question, some other question?

Amit Lahoti: So yes, so that was the first question.

Brijendra Singh: You want me to answer it?

Amit Lahoti: Yes, please.

Brijendra Singh: Q3, each month, we have done around 4 shipments, all the months. And we had 3 shipments in spot and 1 shipment in LME in Q3.

Amit Lahoti: Okay. And all were of same quantity?

Brijendra Singh: Yes, yes, all shipments are of 30,000 tons. On an average, we do 4 shipments per month. We have done almost on an average 4 shipment. And out of that, one was on term basis that was on basis of LME and all rest of the 3 were spot.

Amit Lahoti: And for Q4, is it going to be the same mix? 75-25?

Brijendra Singh: Almost same mix. One shipment we have for LME and the rest is for spot.

Amit Lahoti: Right. And as a follow-up to this, have we started signing long-term contracts for the new refinery?

Brijendra Singh: New refinery, we'll be starting the commissioning process in June and taking around two, three months to finally -- three, four months to stabilize it. We are expecting that around 3 lakh tons of alumina production from there from this year onwards. So we are trying to have some long-term contract, one year or maybe two years. We'll be going in some interested parties are also there.

Middle East, some parties have approached us for long-term contract that is one year, two year, three years. We will be floating some tenders. If we get better offers, we'll be going for it. It only depends on what offer we are getting.

Amit Lahoti: Right. Got it. And my second question is on critical minerals. There were some news articles indicating that we are looking to extract critical minerals from alumina red mud that we end up producing. So what is the plan there? If you could indicate any sort of time lines for visibility of this project?

Brijendra Singh: As far as extraction of critical minerals from red mud is concerned, we are in the process of having a MoU with NML Jamshedpur, where they are in the process of setting up a pilot facilities for making the methodologies for extraction of rare earths from the critical minerals. Already, they will be taking around one and a half to two years to set up this whole technology.

Another is we have one party from Chennai in which we have done the MoU. They have set up their reactor in our mines, and they have taken some of the samples of red mud. They are into the process. Already, they are doing some experiments around that, but results have not come till now. They also will be extracting some critical minerals.

The third is, that is not from red mud, that is from Bayer's liquid. We are having one MoU with BARC, where they are setting up pilot plant that is extraction of gallium from the Bayer's liquid.

These are the 3 projects which we are taking. But as of now, on commercial scale, we don't have any results. From the pilot scale, it will take around one, one and a half years to set up and get some results for the commercial scale extraction.

Amit Lahoti: Right. Okay. Fine. Thank you so much.

Moderator: Thank you. The next question is from the line of Aditya Welekar from Axis Securities. Please go ahead.

Aditya Welekar: Thank you for this opportunity. So my question is with respect to our alumina sales volume. So in the last call, we have said that for full year fiscal '26, we will achieve 1,300 KT. And so far in the 9 months, we are already at 1,100 KT. So are we going to raise this guidance of sales volume for alumina? In Q3, we have seen a very good jump in alumina sales.

Brijendra Singh: In Q3, the sales was better. And our target of around maybe 1,250,000 or 1,300,000 whatever we are targeting. But this month, January, it has affected. There is tension in Middle East, which is affecting our exports to Middle East. But this month, January, it was on slightly lower side. But February and March, we'll be trying to make up those losses that were done. But as per plan, maybe 1,250,000 or 1,300,000 we'll be able to reach.

Aditya Welekar: Okay. Understood. Understood. And the second question is with respect to the chemical, means alumina division profitability, means we have seen a drop in that. One part may be due to because of the fall in the alumina prices. But is there any, apart from the decline in alumina sales realization, is there any inflation from the cost side, especially with respect to caustic soda, which has led to the drop in the EBITDA per ton for the Chemicals division?

Brijendra Singh: As far as alumina sales are concerned and the margins from alumina is concerned, of course, there has been reduction in the sales prices from around \$580, it's gone down to around \$380 first 9 months if you compare. Caustic soda, we have improved on caustic soda consumption, specific consumption caustic soda, which last year, which was around 121 kg has come down to around 99 kg. There, we have got a saving.

Of course, the prices have increased from around Rs.39 to, I think, Rs.45, the impact is around Rs.82 crores negative. But overall impact is not there because we have -- there is a saving in Rs.129 crores efficiency. Because we have saved on the efficiency, we have improved our performance. There is a saving of around Rs.129 crores on caustic soda. That is the thing which we have negated the increase in the prices by reducing our consumption. But of course, the prices of alumina, which has gone down, that is only affecting us.

Aditya Welekar: Understood. That's it from I will get back in the queue. Thank you.

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

Pinakin: Many, many congratulations for what is a record quarter, and it looks like the records will continue given the LME prices are. Sir, my first question is what would be the blended alumina realization for the company? If we just do the math of segment revenue divided by production volume, it comes to around Rs. 28,864. Would that broadly be correct?

Brijendra Singh: You are talking about realization?

Pinakin: Yes, sir.

Brijendra Singh: Alumina realization. Yes, whatever we will be getting, that will be somewhere around \$320 or \$310 average in Q4.

Pinakin: And at this point of time, sir, it looks like this should be the realization trend, which will continue in fourth quarter as well?

Brijendra Singh: Similar will be continuing in the fourth quarter. We are expecting not more than \$310 or \$320.

Pinakin: Understood. And sir, what is aluminium cost of production this quarter? And how did it change versus the September quarter?

Brijendra Singh: You're talking about aluminium or alumina?

Pinakin: Aluminium, sir.

Brijendra Singh: Aluminium. Our cost range Rs. 150,000 to Rs. 160,000. And in between that Rs. 10,000 range, somewhere it is Rs. 155,000, Rs. 156,000, somewhere it is Rs. 153,000. And average cost is coming around within that range only.

Pinakin: Understood. And sir, what is the outlook for cost? Do you expect that to remain stable or move?

Brijendra Singh: Q4, our cost will increase slightly because our CT Pitch, our CP coke cost has gone up. Caustic soda costs whatever we have tendered and ordered in December, that costs have gone up. So Q4 cost will slightly go up, still to calculate. It will overall depend on the efficiencies and our specific consumption. But the prices have increased, around I think, Rs. 7,000, Rs. 8,000 CP coke, I think Rs. 7,000, Rs. 8,000.

Abhay Kumar Behuria: Though there is a negative impact on price because we are going to wear that burden. We are improving our techno-economic front also to take care of that additional cost, which will be coming in the fourth quarter through increase in price of input prices. So there will be not much impact on our total cost.

Pinakin: Understood. And sir, my last question is there is a meaningful decline in employee cost on a quarter-on-quarter basis. What drove it? And when would you need to start making provisions for the next series of wage hikes?

Abhay Kumar Behuria: There are two aspects for this cost reduction. If you compare with the CPLY of last year, corresponding period of last year, last year, around Rs.300 -- 300 numbers of employees have been superannuated. And the recruitment of this year is not commensurate with that return. So that is one of the advantage.

Second, we have made some accounting provision towards our PRP, which is not required now because we have calculated actual calculation and whatever excess provision we have made, we have withdrawn this quarter, this quarter 3.

That is also around Rs.50 crores that is impact. Okay. Another Rs.118 crores is total reduction of employee cost if you compare with the corresponding period of last year, Rs.50 crores on account of that accounting provision and another because of reduction in the manpower real cost, but that is superannuation of the man power.

Pinakin: Got it. And sir, about the provisions that you would need to make for the next wage bill, when should we expect June '26 quarter or later or later?

Abhay Kumar Behuria: That is for ours, I think it will be from 1st January '27. Then we'll make it because this is the 26th. This year, we don't require because our pay revision due on 1st January 2027.

Pinakin: Got it. Thank you very much sir.

Moderator: The next question is from the line of Pallav Agarwal from Antique Stock. Please go ahead.

Pallav Agarwal: Congratulations on the good results. Sir, first question was a clarification on the aluminium COP. So this figure of 152,000 to 160,000. So this is on an integrated basis, right, with captive alumina, just to clarify.

Brijendra Singh: Yes, this is on the captive alumina. Whatever alumina prices we are manufacturing cost.

Abhay Kumar Behuria: We are transferring the alumina to our smelter plant on cost.

Pallav Agarwal: On cost. Okay. And the second one was on how has been the trend of domestic premiums? I think we sell most of our aluminium in the domestic market. So how is the movement in physical premiums been in the third quarter?

Brijendra Singh: The premiums actually totally depends on the LME. Last year, our average LME was around \$2,500. But this year, average LME, we are getting more than \$2,800. So there has been \$300 around \$300 to \$340 increase in the LME is giving us a better premium.

But as far as the premium from ingot to wire rod is concerned, last year, we were getting better. Ingot to wire rod premium last year was around \$10,000, we were getting around 6,000 to 7,000 only. So overall, there is increase in LME. So that is giving us a better premium.

Pallav Agarwal: Sir, what is the right way to look at this? Is it like linked to the MJP or is it like a percentage of the LME or is it on a per tonne basis, what is the right way to look at the premium?

Brijendra Singh: I'd like to look it as on the basis of LME because our pricing, whatever we are doing is on the basis of LME. On the basis of whatever MJP is there, some kind of sometimes we have to give some discounts and all that depending on the MJP.

Abhay Kumar Behuria: We have a pricing policy where we take LME as a base and we add premium as per your version, we take sometimes MJP premium. Then there is some modalities fixed on price. All factors is being taken care of while we do price. Our pricing mechanism every 3 days, if the LME prices crosses some limit, we do. So that is a transparent policy we have. We are adopting that.

Pallav Agarwal: Okay. And probably the import duty also of 7%?

Abhay Kumar Behuria: See that is a part of our policy, that policy guideline is there. We will follow by that, we'll go by that only.

Pallav Agarwal: Okay. Sure, sir. Also, sir, can we look at any more savings in power and fuel for the fourth quarter or captive coal now we have fully reached the 4 million tons of captive coal production?

Brijendra Singh: Production already we have targeted 4 million tons, which will be reaching. We are going by that rate. And that is as compared to last year, the savings will be there. The reduction

in the procurement of coal from e-auction and the linkage coal, there will be reduction. And we are looking after that, that up to Q3, the saving has been around maybe Rs.30 crores or something like that.

Q4 also some savings will be there because the effect is going down because the prices of linkage coal has also come down. And the difference at present, if you see the price difference between linkage coal and our captive coal is around only Rs.200 to Rs.250 per ton.

Abhay Kumar Behuria: After withdrawal of that GST compensation sales, Rs.400 per ton, which is not being paid on the linkage coal. So our difference between the captive coal and FSA coal which is such an agreement...

Brijendra Singh: Is around Rs.300.

Moderator: Thank you. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Mr. Rajesh kindly unmute your mic.

Rajesh Bhandari: Sir, congratulations for good numbers. Sir, you just now mentioned about the coal mining, so when we are having our own mines, when we are mining from our own mines, is that cheaper or taking from outside is cheaper?

Brijendra Singh: Our own captive mines, the landed cost at our power plant, the difference between that coal and the coal which we are taking from outside, is around Rs.200 to Rs.250 depending on the source.

Rajesh Bhandari: Which one is higher, sir? Which one is higher?

Brijendra Singh: The coal which we are taking from outside. Our captive coal is cheaper, around Rs.200.

Rajesh Bhandari: Then why can't we have our own mines, sir?

Brijendra Singh: We already having mines and the rated capacity of the mines is 4 million tons. So we are ramping the production of that mine up to 4 million tons this year. And we are in the process, maybe some more mines in the coming times when we are going for expansion...

Rajesh Bhandari: Yes, yes, yes, that's what I meant. Sir, you said about red mud, some critical minerals. And do we have any plan for new mining for the critical minerals, new mines?

Brijendra Singh: New mines for the critical mineral, whatever there is, that is one JV Company, KABIL is there, they have HCL and MECL, which is having 5 mines in Argentina they have got.

They have done non-invested exploration. Now invested exploration is going on. Maybe it will take 1.5 years to get the results of this exploration. And we'll come to know the amount of lithium that is a lithium mine. What level of commercial mining we'll be able to do.

Rajesh Bhandari: There we will have our partnership?

Brijendra Singh: Yes, yes. NALCO is around 40%. HCL and MECL is 30%.

Rajesh Bhandari: Sir, as you said, alumina prices had gone down. When aluminium prices are high, why should alumina price go down, sir?

Brijendra Singh: You see there is an excess of alumina in the market. In Indonesia, 2 refineries have come up and a few of them are closed down, like Mosul, one has closed down. Iceland, one has closed down smelting capacity has gone down and refining capacity has come up more so. There is an excess of alumina in the market. That's why there is a price reduction and the prices of alumina solely depend on demand supply.

Rajesh Bhandari: Yes, correct. And this is going to remain forever?

Brijendra Singh: Yes, I don't know forever, but this year, it's going to remain. If the smelting capacity is somewhere but of course, Thailand and Indonesia, the smelting capacity is supposed to come up maybe next year, it will stabilize. That may be some reduction in [inaudible] they are now presently having excess of alumina. Some things will be taken care of. But now as of now, this year, the visibility is not there, a similar kind of...

Abhay Kumar Behuria: Another main reason is in addition to CMD, sir. In Thailand, the capacity of smelting is around 60 million plus. So they are now capping their capacity 45 million. That is one of the reasons when they will increase production, it will automatically go up also.

Rajesh Bhandari: Why are you not increasing the capacity of your metal, sir?

Brijendra Singh: Already, we are in the process of it. We are already in the process of appointing one consultant for making DPR and our road map is maybe this year by maybe this year, June, July, August, we'll be finalizing the DPR. After that, 36 months, we have made our road map. And maybe by end of December '30 or maybe early first half of 2031, we have to make and add another 0.5 million tonne smelting capacity. That is the road map, and we are going ahead with it very aggressively.

Rajesh Bhandari: Sir, one last question. Sir, only one question. Finance cost, why it has gone up too high, sir?

Brijendra Singh: Which one?

Rajesh Bhandari: Finance cost.

Abhay Kumar Behuria: That is not the finance cost. Actually, that is the one thing we have made some settlement this quarter. There is a settlement, okay? The interest component of the settlement will be put under finance cost because it comes with adjustment only, okay?

Moderator: The next question is from the line of Manav from Yes Securities Limited.

Manav: First of all, congratulations on the results. And my first question is, if we take a look at Slide 9, where the company has mentioned the LME price trend. I just wanted to get an outlook because it's mentioned that LME prices are expected to average around \$2,670 for aluminium for this particular year. So what's the management's view on the aluminium pricing trend going ahead?

Brijendra Singh: You see, as of now, the LME is somewhere around \$3,200. We were expecting to remain somewhere around \$2,900, \$3,000, but it has increased. And the main reason which we are seeing is some reduction in supply from smelters closing down, capacities of -- China's capacity cap and all that. So there is, of course, demand supply issue.

So we are expecting this year, maybe this quarter, it will be somewhere around \$3,000. It should remain \$3,000 LME. And next year also somewhere between \$2,900, \$3,000, \$2,800, \$2,900. Average \$2,900, we can expect that. But obviously, it will be more than \$2,600.

Manav: Got it. And second question is, sir, on the caustic soda, we have had savings of around about Rs.129 crores. Could you give what was the landed costing for caustic soda on a per ton basis? You mentioned 45,000, right?

Brijendra Singh: Landed cost of caustic soda. The 9 months average if you see '25, '26, it was around Rs.42,000, okay? For the next quarter, the cost will go up to Rs.55,000, fourth quarter of this year.

Moderator: The next question is from the line of Pratik Kothari from C R Kothari & Sons. As there is no response, we'll move ahead. The next question is from the line of Vikash Singh from ICICI Securities. Please go ahead.

Vikash Singh: Good evening sir and Thank you for taking my question. Sir, my first question pertains to our alumina input to aluminium output ratio. Has it changed? Because if I just calculate 2 ton of alumina per ton of aluminium, so we have sold almost 80 KT, 85 KT higher than what would have been the residue left after the aluminium production. So, could you just give us some insight into it?

Brijendra Singh: You see our volumes of production of alumina has been on the higher side -- excess alumina. That's why we have increased our alumina export. Aluminium, whatever aluminium we are making around 2 tons of alumina is required per ton of aluminium. So as per requirement is sent to the smelter. So whatever exports we are doing is because of the excess in the production and the volume of the alumina.

Vikash Singh: Sir, there is still 2 tons of alumina per ton of aluminium right?

Brijendra Singh: Yes. Yes. 1.93 tons.

Vikash Singh: Noted, sir. Because there was some additional efficacy you have sold it. If you would have used this ratio, fine.

Brijendra Singh: Actually, what is happening is we have a storage capacity of around 75,000 tons in Vizag, around 45,000 tons in our refineries and around 1 lakh tons in our smelters. So the storage capacity, what storage we have, that keeps on changing. So that determines the overall ratio. That is very important to see what was the storage capacity at the beginning of the year and what is the storage now, okay?

Vikash Singh: So can I assume that we have depleted our storage capacity to a larger extent because that's 50 KT to 80 KT additional, which would have come from there itself?

Brijendra Singh: No, no. That storage capacity almost whatever we had in the beginning of year, our stocks of alumina in the smelter of course, in the beginning of year, the stock was around somewhere around 15 days. Now we are nearing around 10 to 12 days. 2, 3 days lesser stock in smelter is there. But as far as our Damanjodi, all the silos are full.

Vizag also our stock is around 60,000; 55,000 that is the average we maintain in the Vizag. Only in our smelter around 2, 3 days stock means that will be around maybe around 8,000 to 10,000 approximately.

Vikash Singh: Noted Sir. Sir, my second question pertains to basically just clarification on the statement which we have made that from the new alumina refinery, we said we are expecting 3 lakh

kind of the production next year. In our previous call, we were talking about roughly about 5 lakh?

Brijendra Singh: Yes, yes. Previously, we were talking...

Vikash Singh: Has anything changed in time line or it has been delayed something?

Brijendra Singh: We will be starting the commissioning. The total refinery capacity is around 10 lakhs. So since we will be starting the commissioning in June, but it takes 2, 3 months to complete the commissioning process, stabilize the production, maybe after June, September, October, we'll be having maybe going to 60% level of the total rated capacity and full capacity will be going to be around December.

So that's why we are taking a more realistic figure of 3 lakhs. We can have somewhere in between 3 lakh to 5 lakhs. But to be more realistic, it will be around maybe 3 lakhs.

Vikash Singh: And sir, lastly, on our overall capex for this year and next year and also what kind of employee cost addition we are expecting from next year due to wage revision? Any provision which we have started to make or we will make in 4Q?

Brijendra Singh: This year, we are not having any wage revision. Whatever wage revision will happen, that will happen '27 onwards. The employee cost will be almost same this year also. Slightly reduction will be there due to retirement. We will be having around 200 to 250 superannuation, and whatever superannuation is happening is in the senior category people.

So of course, there will be again reduction of around maybe Rs.100 crores or maybe Rs.70 crores, Rs.80 crores of reduction in employee cost if you see 9 months or 12 months figure. There will be not any increase due to wage revision impact. That will come from next year onwards.

Vikash Singh: Yes. So on the next year, what kind of wage revision or just can tell me what is the percentage of last time you had given the hike? And is that hike has something to do with your profitability levels as well? If you have a higher profitability, so probably a higher wage hike you have to give or it is not impacted by the profitability?

Abhay Kumar Behuria: Our wage revision is due from CPSE, it is from 1st January 2027 onwards, okay? So next fiscal '26-'27, the impact will be in 3 months. We'll be making provision, some guidelines when the government of India will form a committee for finalization of this agreement. Then we'll make some other provision for 3

months only. But that provision will not be enough, because our retirement and superannuation for '26-'27 will be to a great extent and the high wage people will be retired and the induction will be at the lower level. So overall, there will be no increase in the employee cost.

Vikash Singh: Noted, sir. And sir, capex for this year and next year, if any?

Brijendra Singh: Capex this year will be around Rs. 1,700 crores. This financial year, what we are expecting is Rs. 1,700 crores. And next year, we are targeting around Rs. 1,800 crores to Rs. 2,000 crores next year. But '27 onwards, from next financial year onwards, it will increase.

Vikash Singh: Yes. On the new smelting facility?

Brijendra Singh: That is this year. We do the ordering and all that by next year, April, May. So '27-'28, that will increase.

Vikash Singh: Noted Sir and All the best for future.

Moderator: Thank you. The next question is from the line of Rajesh Majumdar from 360 One Capital. Please go ahead.

Rajesh Majumdar: Good evening Sir. Congratulations on a very good achievement. Sir, my first question was, if you look at the alumina sales and if you extrapolate the revenue, the average realization for the quarter comes out to be about \$380. And that you are saying for fourth quarter will become between \$310 to \$320. Is that correct?

Brijendra Singh: Fourth quarter will be average \$320.

Rajesh Majumdar: And this quarter is \$380?

Brijendra Singh: No, that was first 9 months was \$380. Q3, if you see, it was \$349. \$380 was for 9 months.

Rajesh Majumdar: Okay. \$350, okay. Right. And what was the average exchange rate for the quarter?

Brijendra Singh: Q3 exchange rate?

Rajesh Majumdar: Yes.

Brijendra Singh: Q3 exchange rate average 87 -- sorry, 9 months, it was 87, Q3 89.

Rajesh Majumdar: Sir, my second question is on the power and fuel. We've seen a reduction this quarter, which will normalize or which should be remain -- like what do you envisage the annual power and fuel cost now that we are getting the coal from our blocks. What should the annual cost of power and fuel which we will stabilize at?

Abhay Kumar Behuria: The coming quarter, I think the fourth quarter, the power and fuel cost will be less than the third quarter because third quarter, there is some problem. We have imported some power. So that has added to cost. But that will not happen in the next quarter because all our boiler is in good shape, and we'll be managing maximum power through our internal generation only.

Rajesh Majumdar: So third quarter itself there is a fall of Rs.70 crores. You're seeing a further fall on that?

Brijendra Singh: Pardon?

Rajesh Majumdar: Third quarter itself is a fall of about Rs.70 crores from 2Q. There is a further fall on that.

Brijendra Singh: Q2, there is a reduction and Rs.70 crores...

Management: Q2 to Q3 of current fiscal compared to last year?

Rajesh Majumdar: Q3 over Q2, last Q2.

Abhay Kumar Behuria: Last Q2, because our -- that is one reason is there because the Q3, there is no impact of that sales, Rs.400 coal sales, GST compensation sales. It has been withdrawn. That benefit we have got in the third quarter because the withdrawal is July, September onwards, but the benefit in the third quarter, we have got both in the -- that is the linkage coal. That is one of the major reason.

Rajesh Majumdar: Right. And why is there a sharp jump in the operating expenses from Rs.600 crores to Rs.725 crores? And how should we look at this going forward?

Brijendra Singh: Operating expenses, if you see that is increase in coal, increase in the volumes. Volumes are increasing, there will be increase in the consumption of raw material and all that. That's because of the increase in volumes, operating expenditure has increased.

Abhay Kumar Behuria: But if you compare with the revenue, the jump is not in that also, because revenue has increased 13%, our cost expenditure is only 6% total. So operating costs, when you are increasing your volume, raw material consumption, other direct variable cost will automatically increase.

Brijendra Singh: You see last year, our alumina production was 2,050,000. This year, our average alumina production rate is going to around 2,250,000. Maybe we'll be reaching 23 lakhs. We'll be doing around 2.5 lakhs more alumina this year. So of course, the raw material consumption

and all that increases. Even metal production also will be around 10,000 to 12,000 more as compared to last year.

Rajesh Majumdar: And what is the LME premium, my last question that you have got this year -- this quarter on the metal?

Brijendra Singh: This quarter, LME -- Q3 you're telling?

Rajesh Majumdar: Q3, yes.

Brijendra Singh: Q3 average LME was around 2,800. Premium you are telling?

Rajesh Majumdar: Yes, premium.

Abhay Kumar Behuria: Premium we don't revise regularly because we have a pricing policy, we fix the premium once and that is inbuilt in our pricing policy itself. So we don't regularly revise that premium. There is a policy mechanism.

Brijendra Singh: How much is our current premium? I think it is \$50, around \$50. Last quarter, premium we have got is around \$50. That is being part of our pricing policy.

Abhay Kumar Behuria: That is part of pricing.

Moderator: Thank you. The next question is from the line of Sumangal from Kotak Securities. Please go ahead.

Sumangal: Yes. Good evening. Thanks for the chance. The first question is on alumina division. You said one shipment is sold, prices are fixed on LME. So this is -- is this as a percentage of aluminium. LME we are selling alumina or this is the Australia alumina FOB price index we are talking about?

Brijendra Singh: Yes. Whatever LME along with one shipment which we are doing that is percentage of LME. Some shipments are around 12%, some is around 11.5% depend on whatever tender prices we are getting.

Sumangal: Understood. And for FY '27, also it is same ratio?

Brijendra Singh: Yes, it's almost same. Whatever long-term tender we are going, it is going on the lower side because LME is increasing. LME is going to be around 32, 33 it is gone maybe more than 3,000. So the percentage is going down.

Sumangal: No, for the LME linked volume, we are selling in the same proportion, one-fourth on LME linked?

Brijendra Singh: It's almost average shipment we try to do on term and rest shipment on spot on.

Sumangal: Understood. Sir, we have also started selling in the domestic market. So what is the realization difference between domestic and exports in alumina division?

Brijendra Singh: Realization, if you see domestic and export it is almost same, not more.

Abhay Kumar Behuria: No, there is a difference -- hardly any difference of 1,000, 2,000 because of addition of that export incentive that we added. So twice we added some incentive which do have got hardly this quantity exported. So the price difference is not much that is around Rs.2,000 -- Rs.1,500 per ton.

Sumangal: Understood. And sir, when we are targeting 1.3 million tons volume for this year, we sold 1.1 million so far. So fourth quarter would be just 200,000 tonnes or we can actually destock more?

Brijendra Singh: No, that will be around whatever we have planned, not more than that around maybe 12.5 to 13 totally depend on whatever requirements are there because the disturbance in the Middle East that has affected our exports to Middle East in the month of January. We could do only two shipments. We're trying to increase the shipment in February and March, make up that. It will totally depend on how the conditions are there in Middle East.

Sumangal: Understood. And sir, with respect to aluminium division, can we practically sell or produce more than 470,000 tons. Can we operate at more than 100% utilization?

Brijendra Singh: You see our rated capacity is 460,000 and we are going for 470,000 now. 472,000 in fact, this year, we are trying to reach 472,000. One area where we are exploring is getting some scrap. If we get some good quality scrap because our hot metal production capacity is 470,000, but our casting capacity is more. We have got additional maybe 50,000, 100,000 tons of casting capacity.

So we can easily increase the cast metal production capacity if we get good quality scrap. We are trying to source the scrap, but now we are not able to get good quality scrap. That's why if we get quality maybe 10,000, 20,000 tons of scrap, we'll be able to increase our cast metal production capacity.

Sumangal: Understood. Sir, on the aluminium division, a few companies are hedging volumes on a forward basis. Are we doing anything of that sort or everything is open to spot prices?

Abhay Kumar Behuria: Hedging, you are talking about hedging?

Sumangal: Yes. Forward sales.

Abhay Kumar Behuria: No. We have not adopted hedging mechanism now because we don't think our model of business, if you see alumina and metal both. So this hedging, we don't feel this is required now, but we don't have any commitment. Our balance sheet is so strong. We don't have any cash flow commitment. So if the situation comes up to '27, '28, when our capex plan will be in full swing and we have committed cash flow and we need to protect our EBITDA and margin, then we will think of this hedging. Till now, we have not gone through that periphery.

Sumangal: Understood. And sir, with respect to aluminium division, what is the dependence on grid for power requirement? What is the percentage and is it changing over the last few years?

Brijendra Singh: Very less. Power very less, whatever power we require around 800 megawatts that we are totally taking from our own captive source. Sometimes in case of some maybe less breakdowns, some breakdowns we depend on the grid. Almost 96% to 97% of our power grid [inaudible] quarter wise you can take.

Sumangal: How much, sorry, 10%?

Brijendra Singh: I think...no, not 10%. I think it must be less than 5%.

Pankaj Kumar Sharma: Actual, till date up to 9 months we have imported 90 million unit.

Sumangal: Okay. And sir, with respect to carbon.

Pankaj Kumar Sharma: Whereas we have generated around 5,773 million units.

Sumangal: 100 million you said, okay. Sir, just one or two more questions. With respect to the carbon cost, CP coke, CT pitch, etcetera, what is the inflation we are seeing and when is it likely to hit?

Abhay Kumar Behuria: CP coke and CT pitch. CP coke price we are expecting that the fourth quarter it will be around Rs.2,000 more what we have in the last 9-month average, it is around Rs.52,000. It will be around Rs.54,000 in the next quarter that is the

increase. CP coke there is a huge increase Rs.12,000. But CT pitch, there is an increase of Rs.51,000 to Rs.53,000. CP coke, Rs.43,000 to Rs.54,000 we are expecting.

Sumangal: Okay. So roughly 20% is there and 10% here?

Abhay Kumar Behuria: More than 20% CP coke. Average price was Rs.42,764 and we are expecting in the new contract, it is around Rs.54,600. So there is a huge jump that is Rs.12,000.

Sumangal: And when is this getting reflected from fourth quarter?

Brijendra Singh: Yes, yes. Before it will be reflected.

Sumangal: Is this an annual contract? Or is it a quarterly or monthly?

Brijendra Singh: We do for 6 months. This contract is from January to June.

Sumangal: Got it. And sir, one last question on capex. You said around Rs.1,800 crores to Rs.2,000 crores this year. Is it possible to split how much we are spending on maintenance and how much on the refinery and then how much is left on refinery?

Abhay Kumar Behuria: You are talking about the next fiscal '26, '27.

Sumangal: So this year, you said around Rs.2,000 crores, right?

Brijendra Singh: This year is Rs.1,700 crores. '25, '26 around Rs.1,700 crores capex. I think Rs.600 crores to Rs.700 crores in MR that is additional modification and replacement project and the rest is bigger projects.

Sumangal: Rs.1,000 crores is growth and Rs.600 crores is MR?

Brijendra Singh: Within that range.

Sumangal: Okay. And sir, in this refinery, 1 million ton, how much will be left, which will be spent in FY'26, '27.

Abhay Kumar Behuria: Till date we have already spent Rs.5,000 crores. And I think next year, it will be around Rs.500 crores to Rs.600 crores.

Sumangal: Got it. And just if I may ask one more question, sir, we were doing some JV on caustic soda. Is that production? producing and are we getting any cost benefit or the profits are getting factored in...

Abhay Kumar Behuria: No, we are not getting any benefit because we are getting a raw material security because we have an agreement with them, joint venture agreement, and we will be procuring Rs.1.5 lakhs from them at the price which will be discovered through tender. Now we are going to review that pricing policy and we will work.

Brijendra Singh: Actually, what is happening since we have assured quantity of 1,50,000 from there, if that quantity is not available, there will be a deficiency in the market and other suppliers will increase their prices. So this JV goes in long way in just curtailing the increase in the prices.

Sumangal: Understood. Got it and Thank you much and All the Best.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for the closing comments.

Bharat Sahu: Thank you, Team Chorus. On behalf of NALCO, I thank all the esteemed participants who took out their valuable time and participated in this conference call. This shows your keen interest in the business activities of NALCO. Thank you, Team Chorus, for facilitating this post-earnings call for Q3 results of NALCO.

We are also grateful to Team Systematix for hosting the earnings call on quarter-on-quarter basis, and we solicit your cooperation in future also on a continued basis. Thank you all and we look forward to similar cooperation in the future as well. Thank you.

Moderator: Thank you. On behalf of NALCO, we conclude this earnings call. Thank you for joining us. You may now disconnect your lines.
