



“Sarda Energy & Minerals Limited

Q1 FY '26 Earnings Conference Call”

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MODERATOR: **MR. ANKIT JAIN – STELLAR INVESTOR RELATION**

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings Conference Call for Sarda Energy & Minerals Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ankit Jain from Stellar Investor Relations. Thank you, and over to you, sir.

Ankit Jain: Thank you Shruthi. Good evening, everyone, and thank you for joining us today. To discuss Q1 FY '26 business performance, we have with us senior management team of Sarda Energy & Minerals Limited, represented by Mr. Pankaj Sarda, Managing Director; Mr. Padam Kumar Jain, Director and Chief Financial Officer; Mr. Manish Sarda, Deputy Managing Director; and Mr. Nilay Joshi, Executive Director.

Before we proceed with this call, I would like to mention that some of the statements made in this call may be forward-looking in nature and may involve risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. Documents relating to the company's financial performance, including the investor presentation have been uploaded on the Stock Exchange and company's website.

I now hand over the conference call to Mr. Pankaj Sarda, and then we will open the floor for Q&A. Thank you, and over to you, sir.

Pankaj Sarda: Thank you. Good afternoon, ladies and gentlemen.

Operational performance

FY '25 marked a significant milestone in our growth journey and Q1 FY '26 performance reinforces the strong foundation and long-term sustainability of our earnings. The earnings mix has also evolved with increasing share of energy business in the total earnings. We achieved record revenue and profit this quarter, driven by better energy prices and higher hydropower generation.

Hydropower generation grew by 37% Y-o-Y, supported by early monsoon. Our IPP thermal power plant achieved significantly improved plant load factor of 90.21% in Q1 as against 71.65% in Q1 FY '25, largely due to ongoing operational efficiency measures. For the quarter ended, the plant stood at 15th rank in Central Electricity Authority ranking of best thermal power plants against 118th rank in June 2024. The pellet plant and captive power plant also reported record production.

We strategically terminated the long-term power purchase agreement executed with CSPDCL for 113-megawatt hydropower project. This now gives us the opportunity to sell power in open market, which we believe will be beneficial over the long term.

Expansion and project updates. Coal mines. Gare Palma IV/7, we have received consent to operate for increased capacity of coal washery from 0.96 million tons to 1.8 million tons in May 2025. Final approval for increasing coal mining capacity from 1.68 million tons is expected this quarter.

Shahpur West mine development work is progressing as per schedule and production is expected before the end of the next financial year.

Bartunga Hill JV, DPR and mining plans submitted to SCCL forest land diversion approval is in progress.

Power plant. Rehar Hydropower project, 25 megawatt. The commercial operation began on 8th July 2025. We have entered into long-term power supply arrangement with CSPDCL at generic tariff. Generic tariff for current year is yet to be notified by the regulator.

Kotaiveera Hydropower project, 25 megawatt. The project is in approval stage with work expected to begin in next quarter. Two additional small hydropower projects are in various stages of approval.

Captive solar power, 50 megawatts. Most of the equipment has been delivered and transmission line work is ongoing. Project commissioning is expected in current financial year.

30-megawatt TG set replacement. Work is on schedule with operations expected to begin by mid-FY '27. We'll be taking shutdown of the unit in next quarter.

Financial performance

In Q1 FY '26, we posted record consolidated revenue of INR1,633 crores, up 76% Y-o-Y and 32% Q-o-Q. The Y-o-Y increase partially reflects the inclusion of IPP operations acquired on 22nd August 2024. Improved volumes and realizations in steel and ferro alloys also contributed, especially after maintenance shutdowns impacted Q4 FY '25.

Profitability. Operating EBITDA rose to INR627 crores versus INR382 crores Y-o-Y with the Energy segment contributing larger share. Consolidated profit after tax grew 118% Y-o-Y to INR435 crores. Strong price realization for untied up power supported this growth, though prices have softened this quarter.

Debt and liquidity. Net consolidated debt, including working capital loans, fell to ~ INR1,000 crores from ~ INR1,600 crores. Long-term loans repayable within the next year stands at INR206 crores. Liquidity remains robust with ~ INR1,700 crores in cash and liquid investments, excluding treasury loans. The net debt-to-EBITDA ratio is well below 1.

I now hand over to Shri Manish Sarda to discuss the industry overview and outlook. Over to you.

Manish Sarda:

Thanks, Pankaj. India's fiscal deficit is projected to decline to 4.4% in FY '26, down from 4.8% in FY '25. The lower inflation has enabled early rate cuts supported by RBI's liquidity measures. Infusion of liquidity by RBI has helped in transmission of rate cut to the industry. This will

positively impact corporate earnings and capex. Tax breaks are also expected to boost consumption.

Global steel production declined over 4% year-on-year in Quarter 1 to 466 million tons with China down 6%. Despite this, Chinese exports surged with net exports exceeding 53 million tons during January to May '25, putting pressure on global pricing. In contrast, India recorded 10.3% growth in crude steel production to 40.6 million metric tons with 8% growth in finished steel demand.

Imports moderated post imposition of safeguard duty and quality control order, but still exceeded exports. Although because of higher growth in production over consumption, the long product steel prices remained under pressure. Lower input costs like iron ore, coal helped improve margins.

The Indian Coal Index declined by 13% year-on-year from 142 to 128. We are focused more on domestic market for sale of ferro alloys due to better realization. As a result, exports in Q1 dropped to 21,500 metric tons from 32,500 metric ton year-on-year.

Outlook.

The Chinese government has recently announced another stimulus of CNY69 billion to tackle consumption bottlenecks and to bolster the domestic market amid global volatility. This will be the fourth batch of stimulus, bringing the total to the annual target of CNY300 billion. This should be positive for metal markets and margins should improve particularly due to fall in input prices. Fall in interest rate will enhance competitiveness and spur capital investments. Increased government spending is expected to support economic growth and credit expansion.

Power demand and solar power prices remain subdued in monsoon season, except for long-term supply contracts, which will have bearing on the performance quarter-on-quarter. However, higher generation from hydropower projects in the quarter will partly offset this. Commissioning of Rehar hydropower project will also add to the performance of second quarter. Lower finance costs are expected to further strengthen profitability.

That concludes our performance and outlook.

Pankaj Sarda: Let us put the floor for Q&A

Manish Sarda: Yes. Okay.

Moderator: The first question is from the line of Mahek from Agility Advisors.

Mahek: So, just wanted to understand, we have taken a resolution to raise up to INR1,000 crores of debt. So can you please specify, what are the plans of the company with the debt which we are raising?

Pankaj Sarda: Can you come again? We lost you in between.

- Mahek:** I wanted to understand we took a resolution for INR1,000 crores debt raise. So can you please explain, what are the plans of the company? Where are we planning to utilize them? And when are we planning to raise the same?
- Padam Jain:** This is only an enabling resolution. Companies with AA and above ratings are required to part finance their working capital requirement through market listed borrowings. So it is only enabling resolution. We don't have any plan as such to raise any funds. And this resolution has been taken in the past also, but we have not raised the funds.
- Moderator:** The next question is from the line of Manav from YES Securities Limited.
- Manav:** Congratulations on the good set of numbers. So my first question is on the update of the Supreme Court case on the SKS acquisition. Where are we as things stand currently?
- Nilay Joshi:** So it is on -- as of now, it is listed for 6th August, which is day after tomorrow.
- Manav:** Okay. Got it. So 6th August is when we expect like -- it's going to be an interim hearing or a final hearing?
- Nilay Joshi:** So whenever the hearing will happen, it is a final hearing only, but I mean as of now, it is listed for 6. That's all that we can say.
- Manav:** Sure, sure. So okay. The other thing on 1.8 million tons of the coal mine. So earlier, we were expecting it during this first quarter. Now it's shifted to Q2 FY '26. I mean, if you could just enlighten more on that?
- Padam Jain:** We already have a permission for 1.68 million tons. And whenever we get during the year, even if we get by December or January, we will achieve the 1.8 million tons during the year. So it is irrelevant whether we get in March, June or September because for the year, we'll be able to achieve. It's in process, in the final stages of approvals. So it will not affect our annual target of 1.8 million tons.
- Manav:** Got it. Got it. Sure, sir. Sir, my next question is much more for the steel business. How do you see the realizations shaping up for Q2? Because I believe the long products is seeing realizations quite subdued. Do we see any improvements on a quarter-on-quarter basis?
- Manish Sarda:** So typically, you know that monsoon season is a season where long products prices are always subdued because construction activities practically in many parts of the country gets to a hold sort of thing. So we are hoping that now with consumption pattern going forward with the monsoons getting over, the prices also will improve along and the demand also will improve.
- Manav:** Got it. And sir, we continue to maintain our position, right, on not taking further expansions on the steel front and focusing majorly on the power story for the company?
- Nilay Joshi:** Yes. As of now, the expansion is focused on energy and minerals only, yes.
- Moderator:** The next question is from the line of Rakesh Roy, Boring AMC.

- Rakesh Roy:** My first question regarding again realization and volume term. If you see the volume term on a year-on-year basis, our steel volume grew by near by 22%. But at same time, our realization is down by 23%. Any reason for the sudden jump in volume and big drop in realization?
- Padam Jain:** Realization is not down, 23% in steel.
- Rakesh Roy:** Overall, sir, because if I -- your number, steel number is revenue divided by the volume, like iron ore pellets, sponge iron and this one, totals comes nearby how much?
- Nilay Joshi:** Please refer to our presentation, which has been uploaded on the Stock Exchanges. So if you refer to Slide number 9, you will get all the steel and ferro alloys realizations over the quarters, etcetera, all details are there. So you can see for yourself the realization -- I mean, what you are saying is not adding up actually. If you just look at the slide, you'll have clarity.
- Rakesh Roy:** Okay. Right, sir. Because I have just taken the number from quarter earnings
- Nilay Joshi:** We disclose realizations every quarter for all the steel products and ferro alloys. So if you have a look at this slide, you'll get clarity.
- Rakesh Roy:** Okay. Right, sir. And sir, in terms of from Q1, how much is our realization power, sir? How much is the unit per, sir?
- Nilay Joshi:** That is also given on Slide 6, yes -- 6.16.
- Rakesh Roy:** Slide number 6. Okay. And sir, last question regarding, sir, any outlook for steel for whole year and power for whole year FY '26, any guidance?
- Padam Jain:** So far as volumes are concerned, steel volumes will remain more or less same -- slightly here and there. Whatever improvement is there on account of the efficiencies, that will be there. Otherwise, steel volumes are stable.
- Rakesh Roy:** Like FY '25.
- Padam Jain:** Yes, yes.
- Rakesh Roy:** And regarding power, sir?
- Padam Jain:** Power also because last year, it was only for the part of the year -- for the whole year, you can assume 80% PLF.
- Rakesh Roy:** 80% PLF. And sir, in terms of margin, margin will improve or margin will sustain this Q1 for next 2, 3 quarters for Q1 margin?
- Padam Jain:** We have already given details in our opening remarks, and it is subject to the market conditions. It depends on the market prices.
- Rakesh Roy:** Okay. So in short term, if you see, sir, in Q2, mostly, I can guess your margin will improve because the coal price is down. Can we assume?

- Padam Jain:** There are multiple factors, coal prices, iron ore prices, then steel prices, there are multiple factors. But our outlook, we could say we have already covered in our opening address.
- Rakesh Roy:** Right. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Priyansh, an Investor. Please proceed.
- Priyansh:** My first question is regarding the hydropower project. So we know that the PPA has been terminated. In this regard, please reply to the following questions. At what rate the power was being sold under the PPA Sikkim project? And at what rate is the company getting now for sale in spot market or to other customers for the sale of this power?
- Is the company able to sell the entire 113 megawatts in spot market or some power remains unsold during -- after the termination of this PPA? Also, what was the reason which led to the termination of the PPA? The second question is regarding the steel division. So it has been exceedingly well -- doing well in the past quarter?
- Padam Jain:** You can ask one by one questions, that will be better. So your question on the hydropower project. So that we'll respond first. We had entered into power purchase agreement with cost plus tariff. So our tariff was going down year-on-year as the interest burden was going down. As our cost was going down, our tariff was also going down.
- And the transmission cost was in our account, on our head. So revenue was going down year-on-year. That's why we decided to terminate this agreement. And we are selling power in the open market. We are able to sell 100% of the power. And annual average of the realization for the time being may remain at the levels what we were getting previously. But yes, in longer term, we will be getting the benefit of the increasing rates of power over a longer period of time.
- Priyansh:** Okay. And do we have any estimate on the average rate that we're selling per unit?
- Padam Jain:** Average, it depends season-to-season, it will vary, but it should be somewhere in the range of INR5 plus/minus.
- Priyansh:** Plus/minus INR5. Okay.
- Padam Jain:** Anywhere in the annual average, it should be.
- Priyansh:** Understood. Okay. Got it. I'll move on to my next question then. So we know that the steel division has been doing exceedingly well in the first quarter '25-26 since the revenue increased by 10% Q-o-Q, but the profit jumped by 100% Q-o-Q. So my question is, is this jump in profitability of the Steel division sustainable in the current quarter or even next quarter or was there any one-off item in the June quarter, which led to this really high jump in profit?
- Padam Jain:** No, there was no one-off item in the steel division. Yes, volume had also gone up as compared to the March. In the March, there were certain shutdowns in the plant. So Steel division, there is no one-off item, and we should be able to sustain and improve from here.
- Priyansh:** So we'll be seeing a similar growth is what you are saying?

Padam Jain: Yes.

Priyansh: Understood. That's it from my end. Thank you so much for your answer.

Moderator: Thank you. The next question is from the line of Gautam Jain from GCJ Financial.

Gautam Jain: First, congratulations for a solid set of numbers. My question is, can I get the breakup of your Power business segment revenue, which is like INR939 crores. Can I get the breakup of that into captive IPP and hydro?

Padam Jain: We can provide offline may not be available immediately, but that will be available. That should not be a problem.

Gautam Jain: Okay. In the hydro business -- hydropower business, is it like that your first quarter and second quarter are better than the last two quarters?

Padam Jain: Your voice is cracking. Can you repeat?

Pankaj Sarda: Always in hydro, second quarter is always better than the last quarter.

Gautam Jain: No, I mean the first two quarters are better than the last two quarters on the financial, right?

Padam Jain: Not always. First quarter may not always be better than the third quarter. Generally, second quarter is the peak generation because of the rainy season. Third quarter is a little lesser than that. And first depends upon the incoming of the monsoon. If it is early monsoon, we get good rains and sometimes if monsoon comes in June, then revenues may be on lower side.

Gautam Jain: Okay. And the last question is you said about Chinese stimulus and that will be good for the steel pricing. So are we seeing better price in Q2 versus Q1?

Padam Jain: Manishji?

Manish Sarda: No, Chinese stimulus has just come around right now. We have just recently seen that the Chinese stimulus is there. We'll have to wait and see. But I'm sure that once the monsoons are over, we'll see better pricing and better demand as well.

Gautam Jain: Okay. May I ask one more question?

Padam Jain: Sure.

Gautam Jain: So with regard to your gross debt and cash level, which is around INR2,700 crores of gross debt and INR1,700 crores of cash in hand. So what are the repayment schedule, if I may know?

Padam Jain: No. INR1,000 crores is the net loan and INR1,700 crores is the cash. Both are opposite. It is not -- it cannot be combined together.

Gautam Jain: No, I know. I'm saying gross debt is INR2,700 crores and cash surplus INR1,700 crores. So net debt comes to INR1,000 crores. I'm asking is what is the repayment schedule on the gross debt side?

- Padam Jain:** Repayment is hardly -- for the current year, it is only INR200 crores for the current year.
- Gautam Jain:** So what we'll do with the cash in hand because that is substantially rising because of our cash flow is very strong?
- Padam Jain:** Opportunity, right opportunity. And definitely, our growth plans are going on. We are spending about INR500 crores to INR1,000 crores a year on the expansion projects in different segments, whether it is coal mines, hydropower project and other projects.
- Gautam Jain:** So may I know total capex for next 3 years, including current year?
- Padam Jain:** As I told now, every year we have been spending in the range of INR500 crores to INR1,000 crores a year on whatever we have planned for next 2 years, 3 years.
- Gautam Jain:** Okay. So that will continue even for 2026, '27, '28, right?
- Padam Jain:** Yes, this is what we have already planned and there may be new opportunities also.
- Moderator:** Thank you. The next question is from the line of Rajesh Bhandari from Nakoda Engineers. Please proceed.
- Rajesh Bhandari:** From your talk we came to know that in steel and ferro alloys we didn't have an interest in expansion. It's more on power and mining. If it is in mining, we will remain only in India or we will explore outside India also and rare earth also and in power we are running at 600 megawatt and additional which is of 600 megawatt, do we have any plans for expansion of that 600 additional?
- Pankaj Sarda:** So the infrastructure is there for 1,200 megawatt. We definitely will be going for environment clearances for another 800 megawatt in future. That much land and everything in the infrastructure is there. And what was your another question, sir?
- Rajesh Bhandari:** My question was that we came to know from the talk that steel and ferro alloys we do not have an expansion plans, it's more on power and mining?
- Pankaj Sarda:** Because 800 megawatt itself will take around INR8,000 crores of capex in general.
- Rajesh Bhandari:** Sir one thing I would like to say that this is the indication that how wise you are proceeding and this will turn the small cap into a large cap company because in steel and ferro alloys so many people are there, power is the best thing where you are going and mining also and many congratulations to you that in this line you are moving with that we will also get some benefit from that. One thing I want to ask in mining outside India is there any plan or is there any plan of rare earth?
- Pankaj Sarda:** So we have an operating a mine in Indonesia for that expansion planning is going on and God willing we will try to achieve 1 million ton in near future in that mine -- coal mine and wherever opportunities will come we are open for any opportunity.

- Rajesh Bhandari:** Second one more thing the loan which you are thinking and you are giving so good results for that QIP there is no problem, people will give thousands of crores. Why only thousands the way other companies are taking?
- Padam Jain:** We don't have any plan of fundraise. In immediate future there is no such plan.
- Rajesh Bhandari:** If I will have more questions I will come again.
- Moderator:** Thank you. The next question is from the line of Priyansh, an Individual Investor. Please proceed.
- Priyansh:** My question again pertains to the Sikkim hydropower plant. So what was the average generation of power in the June quarter and what is the power generation in the July month?
- Nilay Joshi:** So June quarter, the numbers that you see in the investor presentation for hydro, that is largely from Sikkim.
- Padam Jain:** This is the 100 million units in June quarter.
- Priyansh:** 100 million units. Okay. And in the July month?
- Padam Jain:** July, we shall have to take separately. We don't have it at hand.
- Priyansh:** Okay. Maybe I can reach out later to the team then.
- Padam Jain:** Yes, you can take offline.
- Priyansh:** Understood. Okay. That's it. Thank you.
- Moderator:** Thank you. The next question is from the line of Vedant Sarda from Nirmal Bang PMS. Please proceed.
- Vedant Sarda:** I wanted to know that what kind of ROCE we are targeting for the capex plans and for overall as a company?
- Padam Jain:** Return on capital employed will differ project-to-project, but there are certain projects which are related with integration, there are new projects. So there are multiple variables and for different projects because if you go for hydropower projects, ROCE expectation is different because there you have consistency in the profitability. Then if you are going for the steel projects, then ROCE expectation will be different.
- So specifying a specific, this is my ROCE expectation, project to project and looking to the market condition and ROCE also you have to see only in the terms, whether market is in the upward mode or downward mode.
- In case of steel sector, when you enter into the, when the market is already down, ROCE immediately, if you compare, that may not be very good. So ROCEs totally depends upon the

market conditions, but definitely, it should be much better than our weighted average cost of the capital. That is what is the criteria.

Vedant Sarda: Yes, sir, like we don't have any...

Nilay Joshi: Just to add to that, see, like Mr. Jain already explained, different projects will have different decision-making parameters. But I would suggest that while we don't want to give a ROCE number, but you can go by our past actions, okay? The historical numbers are there for you to see. So normally, that is the decision-making that we are applying. You can go by the past action. We don't want to put a number to it right now.

Vedant Sarda: We don't have any plans for steel expansion currently. And you also told any kind of opportunity if you see, you would like to grab that. So like if you find any kind of mine or anything, any project you are wishing. So some kind of numbers that if you can give, you are growing a company, you would be continuously doing capex, it seems.

Nilay Joshi: See, there have been multiple large capexes that we have done in the last few years itself, okay, that you would have seen, whether it was SKS Power, it was the hydropower project, etcetera. So there, you can take the thought process, you can understand the thought process. We don't want to put a number because that becomes restrictive and that is not the only decision-making factor. It is an important decision-making factor, but not the only one.

Vedant Sarda: Okay sir, fine.

Moderator: Thank you. The next question is from the line of Arpit Shah from Stallion Asset. Please proceed.

Arpit Shah: Just congratulations on a very great set of numbers, great acquisition in terms of SKS Power. I just wanted to understand the power that we generated in the quarter 1, quarter gone by, the realization was closer to INR6.16 per unit. So how should we think about this number? I think we were guiding around INR5 per unit earlier on, maybe in the second or the third quarter?

How should we look at this number going ahead? This is a sustainable number? Or this is a number just for quarter one and it just drags down and brings the total annual average to INR5 per unit?

Padam Jain: No. This what we earned in the first quarter may not be the right number for the whole year. Definitely, generally, first quarter is always better because of the summer seasons. But in addition to that, there are multiple variables which decide the power pricing.

So second quarter always remains subdued, third quarter and all other things, other quarters, pricing depends upon the demand supply, then climatic conditions, how long the rains go on. There are multiple variables. But yes, first quarter is definitely better for the thermal power pricing, which may not be true for the whole year.

Arpit Shah: So how do we then look at because since you're already operating at 90% load factors, how should we think about SKS power numbers for FY '26? And since you already got a new

hydropower plant operation from November to December, how should we look at the whole of the power segment in terms of EBITDA for FY '26?

Padam Jain: It's already told so far as capacity utilization is concerned, the annual average should be somewhere in the range of 80%, what we gave the guidance.

Arpit Shah: How should we think about the absolute EBITDA number for FY '26 because it's just power plant...

Padam Jain: Absolute EBITDA -- we don't give any specific EBITDA numbers. Last time also we had stated, in general, our power generation from the thermal power project should be in the range of 400 crores plus/minus units. And EBITDA will depend upon the electricity pricing, which is varies in the range and EBITDA may range somewhere about INR2. Plus minus 50 paisa.

Arpit Shah: Got it. And what kind of power generation in terms of units should be for hydropower?

Padam Jain: Hydropower capacity...

Pankaj Sarda: 167 megawatt is running.

Padam Jain: About 40% of the power load factor. 148 megawatts.

Arpit Shah: Okay. How much should be in terms of units?

Nilay Joshi: No, 167 megawatt and you take around 40% to 45% maybe of PLF.

Padam Jain: Maybe about 60 crores units you can assume.

Nilay Joshi: But then this is all dependent on rains. See, the right way to look at it, I would say, is your thermal will be very strong in the first quarter. Your hydro will be very strong in the second quarter. And the other two quarters, I mean, third quarter, there is some hydro and thermal will be okay.

So I mean, it will taper off for the third and fourth quarter may be a little weakness in hydro because of the rains not being there. So that's the right way to look at it. Second quarter, we should get support from the hydropower generation, while thermal might be a little weak.

Arpit Shah: Got it. So broadly, what we have to see is in annually, what we have to see we are broadly going to be at about 450 crores odd units combined hydro and thermal. Our EBITDA per unit should be INR2 plus minus .50 paisa. So that comes to about, let's say, closer to INR1,000 crores plus EBITDA for the power business as a segment. That's how we should think about it?

Padam Jain: I think that could be the reasonable expectation. Rest depends upon the market condition.

Arpit Shah: Got it. Perfect. Thank you so much.

Moderator: Thank you. The next question is from the line of Manav Gogia from YES Securities Limited. Please proceed.

Manav Gogia: Thank you for the opportunity. Sir, one question much more on the numbers front. It was for hydropower. Would you be able to provide the average selling price per unit for the quarter?

Padam Jain: We don't have immediately, but it should be somewhere in the range of INR5.

Manav Gogia: More or less INR5 on an average. Got it.

Padam Jain: INR5 plus.

Manav Gogia: Sorry, I could not get you?

Padam Jain: INR5 plus.

Manav Gogia: INR5 plus. Okay. Got it. Got it. Sure, sir. Sir, second question would be on the Power segment, when, like would you be able to specify some ballpark time line of doubling the SKS power capacity?

Padam Jain: Because it's a long-term process of approvals, we have to go for all the environmental clearances and those approvals. So giving any time lines at this stage will be too early.

Manav Gogia: Got it. Got it. And sir, currently, we are doing the Gare Palma expansion from 1.68 to 1.8. And I believe the company's end goal would be to make sure that, that mine is particularly captive for your SKS power. So how do we see those expansions going ahead post 1.8 million for FY '26? And then if you could give some breakdown?

Pankaj Sarda: So post that, we are evaluating. I think so we'll take it, again, it totally depends on the environmental clearances in place. We'll try to expand it to 3 million ton plus.

Manav Gogia: Got it. And we'll be applying for fresh ECs for this expansion?

Pankaj Sarda: Yes, fresh EC has to be applied. So all that process will start after we receive 1.8 million ton environment clearance, all the approvals and everything for fresh ECs will be applied.

Manav Gogia: So more or less, we can assume an 18- to 24-month period to have things all on hand.

Pankaj Sarda: Max.

Manav Gogia: Can be a fair assumption, right? Maximum. Sure, sure, sir. And sir, one question on, if you could quantify the landed cost for imported coal for the steel operations just in case you have it handy?

Pankaj Sarda: So RB2 and RB3 coal landed to Raipur. And the freight also changes from time to time from Vizag to Raipur. So somewhere around INR8,000 per ton to INR10,000 per ton.

Manav Gogia: Sure. So we have seen some benefits on the cost front due to the prices going down in the international markets or they are yet to be accrued probably in the next quarter?

Padam Jain: Manishji?

- Manish Sarda:** No, we have been trying to avoid imported coal as much as possible as the domestic coal is also available. And our entire aim of the group is to ensure that we utilize maximum coal from our own mines. And only the shortfall is what we are trying to source from international markets. And that too many times, we get good quality coal in auction from the Indian mines. So we are trying to maximize that strategy more rather than depending upon imports.
- Manav Gogia:** Got it. Got it, sir. Sir, one last question I wanted to have. Basically, currently, the SKS Power, we are selling it on IEX, right, if I'm not wrong?
- Padam Jain:** No, we have a mix. We are selling part of the quantity. But generally, it is short-term, not on a daily basis. We have bilateral contracts for short-term, medium term, both ways.
- Manav Gogia:** Got it. Okay. And do we plan to have the PPAs for the SKS Power plant in the upcoming months or probably this...
- Padam Jain:** We have PPAs, but there are some medium-term PPAs. There are certain short-term PPAs. And a part of small quantity, sometimes we sell even on the IEX on daily basis also, it depends. There is -- this is a mixed basket of the PPAs.
- Manav Gogia:** Got it. Got it. So my main agenda was to just realize that we currently had a realization of around about INR6.16 per unit. So we can expect if more PPAs are in place, this realization number to probably go down a bit in the...
- Nilay Joshi:** No. See, it is like this. On the PPA, our strategic thought process is clear. We had outlined it in the last call also that over -- I mean, we are -- the idea is to enter into a stable PPA -- long-term PPA. So tie up a significant part of the capacity in long-term PPA and the balance take the benefit of the market forces. So that is the broad idea. We are trying -- we are in the process of executing that.
- Moderator:** The next question is from the line of Rakesh Roy from Boring AMC. Please proceed.
- Rakesh Roy:** Yes. Hi, sir. Sir, one question regarding the margin front. As you mentioned nearby 76% of revenue comes from -- EBITDA comes from the power sector. And same our steel business, steel minus this EBITDA number from your power revenue, our steel EBITDA will get what is 18%, sir. So what is your outlook? And how is the Q4, Q1 FY '25 margin for steel business?
- Padam Jain:** Q4?
- Rakesh Roy:** Q1 FY '25? For this quarter, our steel margin is nearby 18% as per your data, sir. We have given data. In Q1 FY '25, how much our steel margin, sir?
- Padam Jain:** Q1 FY '25?
- Rakesh Roy:** Yes.
- Nilay Joshi:** Please look at historical data presentation for Q1 FY '25. You will get it on the exchanges.

- Rakesh Roy:** Overall margin because it includes hydro also, sir, in Q1 FY '25. So I'm saying the only steel margin, sir.
- Nilay Joshi:** No, no, we disclose segment-wise EBIT. You can refer to our past results and check for whatever quarter you want to.
- Rakesh Roy:** Exactly, sir. I'm asking about not EBIT, EBITDA number.
- Padam Jain:** Last year, it was definitely much better than as compared to the fourth quarter and first quarter '26. First quarter FY '25 was better than current year. Sorry, what is your question? Can you repeat your question? First quarter, what do you want to know?
- Rakesh Roy:** My question is, sir, this quarter, our steel margin is 18%, okay? Same last year's Q1, how much our steel margins sir? EBITDA number.
- Nilay Joshi:** If you go to Slide number 6 of the presentation, you will get Q1 FY '25 total EBIT broken up into the various segments.
- Rakesh Roy:** Exactly, sir. But this is for EBIT number. I'm asking about the EBITDA number, sir?
- Nilay Joshi:** That you can write to us, we will provide you. We don't have off line.
- Rakesh Roy:** Okay, sir. And sir, same thing, sir. Can you assume this number will improve from here onwards, 18%?
- Nilay Joshi:** It should. I mean there's a lot of discussion already part of it. We have given enough details
- Rakesh Roy:** Okay. And sir, EBITDA still in any chance in August or September, you will get any price hike because as you say, the price will increase or price will rise after monsoon. Any idea how much you are going to take and how is the market condition at that time? Do you have any -- can you give me a light on this?
- Padam Jain:** No. These are hypothetical questions. I don't think we will be able to give anything on that. Whatever outlook we could say we have already given in our opening address, rest depends upon the market conditions.
- Rakesh Roy:** Right. And sir last question, as you...
- Moderator:** Sorry to interrupt, Rakesh sir, may we request you to join the question queue? The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities Private Limited.
- Jayesh Gandhi:** Congratulations on good set of numbers. Sir, I have two questions. First one is what is our average realization for SKS in July?
- Padam Jain:** July, we'll be able to provide you off the line. We don't have in the hand immediately.
- Jayesh Gandhi:** Okay. But is it INR5 plus or we should think about lesser than INR5?
- Padam Jain:** It should be in the range of INR5.

Jayesh Gandhi: Okay. And my other question is apart from whatever commissioned...

Padam Jain: INR5 plus only. I think INR5 plus only. It will be INR5 plus only.

Jayesh Gandhi: Okay. And my second question is apart from whatever capacity we have shown, which is commissioned for power, is there any additional capacity that we can think about getting commissioned this year?

Padam Jain: No. There is no other capacity which is getting commissioned this year, except 50-megawatt solar power plant that will get commissioned during the current year.

Jayesh Gandhi: That will be for captive consumption, right?

Padam Jain: Yes. That will be for captive consumption.

Jayesh Gandhi: That's all from my side, sir. Good luck.

Padam Jain: 25-megawatt already commissioned in July.

Moderator: The next question is from the line of Mahek Talati from Agility Advisors.

Mahek Talati: So wanted to understand so we have a hearing in the next days. And we are planning to post a capex for the SKS as well. So, can we assume that the INR 1,000 crores debt resolution can be used here for the capex as well?

Padam Jain: Even if we start getting approvals, at least for the next one and a half to two years, there won't be any capex on that particular SKS project. So this resolution what we have taken will not be applicable for the SKS power project.

Mahek Talati: Okay.

Padam Jain: It is valid only for a year.

Nilay Joshi: It is just an enabling resolution

Mahek Talati: Understood.

Nilay Joshi: What we clarified is, it is just an enabling resolution [] which we have been taking every year.

Mahek Talati: No, sir. That I understood. And sir, second question was, did we see any price drop for the coal, which we are acquiring for SKS power plant or they have been flat?

Padam Jain: SKS power plant, we are getting coal at the notified price.

Mahek Talati: Okay. So no change in the acquisition cost, right?

Padam Jain: There is no, yes.

Moderator: The next question is from the line of Rajesh Bhandari from Nakoda Engineers.

- Rajesh Bhandari:** Sir, I have one point. The results that you show on the BSE site are actually standalone results, sir. So, if there are consolidated results, that is better because most of the companies, they give consolidated results. Ours comes as stand-alone results.
- Nilay Joshi:** Both come, sir. You see once. Both come. Both are there in the presentation and in the results, sir.
- Rajesh Bhandari:** No. Not the presentation. No, sir. The one that comes on the page, sir, that one is not consolidated. That comes only this. Rest, if there is something in the details, then it comes consolidated. But normally, people see only on the first page of BSE. So, most of the companies, they give consolidated. This is just a request. Yes, sir.
- Padam Jain:** In the presentation, all the results are there. Standalone is also there and consolidated is also there. Sir, maybe there will be something in the front and back page.
- Rajesh Bhandari:** This is the only thing. Yes, sir. Please.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for the closing comments. Over to you, sir.
- Padam Jain:** Yes. Thank you. The performance improvement measures at our IPP are clearly reflected in the results of the quarter one. We remain confident of delivering record results for the financial year '26 despite sectoral challenges in steel. Our strategy of reinvesting surplus cash into diversified future-ready projects continues. The company continues to reinvest surplus funds in diverse projects to ensure long-term sustainable growth.
- FY '26 will benefit from full year operations of the IPP power plant, increased coal production and the commissioning of three new projects, which are 25-megawatt Rehar hydropower plant, which commissioned in July 2025, mineral wool plant and 50-megawatt captive solar power plant. Thank you for joining us today. Please feel free to reach out to us or our Investor Relations team with any further queries. Thank you.
- Moderator:** Thank you. On behalf of Sarda Energy & Minerals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.