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An ISO 9001, ISO 14001 & ISO
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Certified Company



20th November 2025

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Dear Sir,

Sub: Transcript of the earnings call conducted on 12th November 2025

Please find enclosed herewith the transcript of the Q2 / FY 26 Earnings Conference Call conducted on 12th November 2025. This is for your information and records.

This information is being hosted on the Company's website - www.seml.co.in.

Thanking you,

Yours faithfully,
For Sarda Energy & Minerals Ltd.

Authorised Signatory

Encl: As above



**“Sarda Energy & Minerals Limited
Q2 & H1 FY '26 Earnings Conference Call”**

November 12, 2025



MANAGEMENT: **MR. PANKAJ SARDA –MANAGING DIRECTOR – SARDA ENERGY & MINERALS LIMITED**
MR. PADAM KUMAR JAIN – DIRECTOR AND CHIEF FINANCIAL OFFICER – SARDA ENERGY & MINERALS LIMITED
MR. MANISH SARDA – DEPUTY MANAGING DIRECTOR – SARDA METALS & ALLOYS LIMITED
MR. NILAY JOSHI – EXECUTIVE DIRECTOR – SARDA ENERGY & MINERALS LIMITED

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

Moderator:

Ladies and gentlemen, good day, and welcome to the Q2 and H1 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, Bhoomika. Good afternoon, everyone, and thank you for joining us today. To discuss Q2 and H1 FY '26 business performance, we have with us the senior management team of Sarda Energy & Minerals Limited, represented by Mr. Pankaj Sarda, MD; Mr. Manish Sarda, Deputy MD; Mr. Padam Kumar Jain, Director and CFO; and Mr. Nilay Joshi, Executive Director.

Before we proceed with this call, I would like to mention that some of the statements made in today's 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 the company's website.

I now hand over the conference call to the management, and then we'll open the floor for Q&A. Thank you, and over to you, sir.

Padam Kumar Jain:

Thank you, Ankit. Good afternoon, ladies and gentlemen. The operating performance during the quarter was steady. We have achieved highest ever half yearly production of iron ore pellet, captive power, hydropower and coal in Indonesian coal mine.

The IPP thermal power plant ranked at 11th number in all India ranking of the capacity utilization for the half year against 125th rank in the previous year. The plant achieved power load factor of 85.27% as against 56.13% in previous year same quarter and 90.21% in quarter 1 of current financial year.

During the half year, hydropower generation grew by 32% year-on-year, to 482 million units, supported by above average monsoon and commissioning of 24.9 megawatt Rehar Hydropower plant in July.

Rehar Hydropower project of 25 megawatts commenced commercial operation on July 8, 2025. The plant generated 55.38 million units, achieving power load factor of 110% during the quarter. We are supplying power to Chhattisgarh Power Distribution Company Limited under 40-year long-term power sale arrangement at fixed generic tariff.

Coal mines- During the quarter, the company was declared successful bidder for Senduri coal block in Shahdol District of Madhya Pradesh. The company has received allocation order on 8th October 2025. The mine is near our existing Shahpur coal mine. As per schedule, we have to

start production by end of financial year 2033. This is an underground mine with average grade of G9 coal.

Now we have six coal mines in our fold, including two in joint venture, of which one is in Indonesia and one is in India. Two coal mines are in operation and one is under development, which is expected to come into production by end of next financial year.

We expect to get permission to enhance the production of Gare Palma IV/7 coal mine from 1.68 million tons per annum to 1.8 million tons per annum in the current quarter, and we will achieve the increased production in the financial year itself.

Power - As of now, we have a pipeline of three small hydropower projects of 25 megawatt each, totaling 75 megawatts, which are in different stage of approval. Captive solar power plant of 50 megawatts, most of the equipments have been delivered and transmission line work is going on. Project commissioning is expected before end of the current financial year.

30-megawatt TG set replacement work is on schedule with operations expected to begin by mid of next financial year. We will be taking shutdown of the unit in this quarter. During this period until solar power plant is commissioned, we will import power to meet temporary shortfall.

We are seeking necessary approvals required for expansion of our existing 600-megawatt IPP thermal power project.

Financial performance- In quarter 2FY'26, we posted consolidated revenue of INR1,528 crores, up 32% year-on-year and down 6% quarter-on-quarter. Quarter-on-quarter fall is on account of the seasonal factors.

Profitability- EBITDA rose to INR580 crores versus INR393 crores year-on-year with the energy segment contributing about 70% of the operating profit. Consolidated profit after tax grew 61% year-on-year to INR328 crores. The company has exceeded the last whole year's profit in the first half itself. The seasonal fall in power price realization affected the profitability of the thermal power operation, which was partly offset by higher generation of hydropower.

Debt and liquidity position- The company's net gearing that is net debt-to-equity ratio is negligible, providing headroom for financing growth opportunities. Net debt-to-EBITDA is also well below 1. Net debt as on 30th September stood below INR500 crores on the consolidated level as against about INR1,000 crores as on 30th June 2025. On a stand-alone level, we are net cash company.

The outlook on company's external credit rating, which is CRISIL AA- has been revised from Stable to Positive in November 2025. Long-term loans repayable within next 1 year stands at INR220 crores and liquidity remains robust with about INR2,200 crores in cash and liquid investments.

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

Manish Sarda:

Thanks, Jain Saab. During the quarter, the power demand remained subdued due to extended rainfall and below average temperature. The weighted average price of power on IEX for the quarter fell to INR3.89 per unit as against INR4.37 per unit in quarter 2 FY25.

The Indian Coal Index also fell from 140 in September 2024 to 124.68 in September 2025. The compensation cess of INR400 has been removed on coal, but GST has been increased from 5% to 18% with effect 22nd of September 2025. But still, it will reduce cost of coal and consequently, cost of power generation.

In H1 FY '26, India recorded growth of 13% in steel production as against degrowth of 2% globally and degrowth of 5% in China. In spite of degrowth in production, China's export of steel rose by 9.2% in 9 months ended September 2025 year-on-year. India remained a net importer of steel despite imposition of antidumping duty on certain steel products.

Iron ore prices remained range bound, but at higher level of trajectory. Steel prices were weak due to seasonal effect and imports. In October, India lifted antidumping duties on certain steel products such as flat rolled products and straight length bars and rods imported from countries, including China, Vietnam and Korea. This move reflects a shift of trade policy influenced by factors like supply chain needs and comes after the expiration of previous duties.

We have focused more on domestic market for sale of ferro alloys due to better realization. As a result, exports in the Q2 dropped from 28,200 metric tons to 27,600 metric tons. Macro indicators remain favorable with the inflation remaining below target levels, providing RBI headroom for accommodative policy initiatives.

So, post monsoon and festive season, construction activity picks up, pushing up the steel demand. Prices of steel products are also expected to improve from current levels. Hydropower generation is also expected to remain better year-on-year due to extended monsoon. Increased spending post-GST rejig is expected to support economic growth and credit expansion.

That concludes our performance and outlook. Thank you.

Moderator:

Should we open the floor for the question-and-answer?

Padam Kumar Jain:

Yes.

Moderator:

We will now begin the question and answer session. The first question comes from the line of Amit from Emkay.

Amit:

Thanks for the opportunity and congratulations on a good set of numbers in a difficult quarter. So, my first question is, if you could provide some update on SKS power plant in terms of PLF, realizations and cost performance in Q2? And then, any guidance for second half of the year, specifically with the targeted cost savings, what could be the FY '26 exact rate on unit cost?

Padam Kumar Jain:

So we had a PLF of 85% in the quarter, as we stated in our initial remarks, as against 90% in the quarter 1. And annual target, as we told, we should be able to achieve 80% of the PLF on average. This is what is the annual average.

- Amit:** Okay. And sir, with the cost saving, where could we see the exact rate of FY '26 unit cost?
- Padam Kumar Jain:** Unit cost, if you consider we expect the coal prices to be down by about INR200 to INR250 per metric ton. So, we should be able to save about 15 paisa per unit of the power cost.
- Amit:** Okay. And then second, on the steel business, given that prices are soft and there is a growing supply by the primary steel makers, what kind of levers do we have on the cost side and product mix, so that we can defend our margins?
- Padam Kumar Jain:** Manishji?
- Manish Sarda:** Can you just repeat the question again? Can you just repeat the question again, please?
- Amit:** Yes. Yes, sure. So on the steel business, the prices have been weak in the last few months, and there is a growing supply by the primary steel makers, new capacities have been put up by the large companies. What kind of levers do we have on the cost side and the product mix side, so that we can defend our margins?
- Manish Sarda:** So if you have seen that the steel prices have been weak and they've been weak like in the last few years, we have never seen this kind of weakness, which has happened. But I think this is the bottom of the steel pricing structure.
- Now the point which you mentioned that the steel companies are -- the primary steel companies have been expanding. But at the same time, the secondary steel companies have also been expanding as the market is also expanding. There is a huge infrastructure push, which is there from the government, but which is delayed. And it's a demand-supply gap that should meet up in some time.
- So I don't foresee see too much of a worry out here in terms of steel pricing. It's very cyclical, and it's just that we are in that cycle right now. And once this extended monsoon is over, we will see the uptick in pricing as well.
- Because if you look at the raw material pricing per se, neither has coal gone down substantially and neither has iron ore moved out between the -- if you see the price band of iron ore, it's always been between \$96 and \$103 in China. And we have seen that there is a substantial reduction in production of steel in China as well.
- So what we are foreseeing is that this was a very cyclical thing that has happened. And in the next few months, we'll be seeing the uptick of the prices because if you look at the raw material pricing also, it has not moved down quite a bit in terms of ferro alloys, in terms of coke, in terms of coal, in terms of iron ore. So, we don't see any further prices going down. In fact, from here, we are seeing an uptick that is going to happen in the pricing.
- Padam Kumar Jain:** One more point I would like to add, whenever we find an opportunity, instead of using the captive power for production, we sell power so as to maintain our margins. Instead of producing steel, we divert the captive power for sale into the market. That also reserves our margins.
- Moderator:** The next question comes from the line of Shashwat from Agility Advisors.

- Shashwat:** Yes. So I just had two questions. First one is that, is the company planning to do any inorganic or organic growth in the next 2 years for -- specifically for the Power segment or any other opportunity that company is looking to go for?
- Padam Kumar Jain:** The company already have plans in hand for three more hydropower projects of 25 megawatts each. In addition to that, 50-megawatt solar power plant is already under execution. The company is also moving ahead with the expansion in our existing 600-megawatt IPP. It's approval process is going on. It will take some time to start capex on the thermal power. Otherwise, all the other four projects, we are already on with the capex. In addition to that, we have been constantly looking for both organic and inorganic opportunities.
- Shashwat:** Okay, sir. And apart from that, any other growth levers that we are seeing that could lead to the increased revenue and profitability for the next 2, 3 years?
- Padam Kumar Jain:** Can you hear me?
- Shashwat:** Yes, I can hear you. Yes. So, another question I had is that do you have any other growth levers that you are -- you can see that, that can lead to the increased revenue and profitability in the coming next 2, 3 years?
- Padam Kumar Jain:** Yes. We already have a few of the coal mines where we are spending capex and one of the coal mine will start production in the next financial year. In the second coal mine, we will increase our capacity presently from 1.68 million to 1.8 million Tonnes, then from 1.8 million to 3 million in the first phase and subsequently, maybe on further higher side. So that is another area where we will start generating revenues.
- We have also participated in a few of the other acquisition opportunities, and that's an ongoing process. So, whenever something gets clicked, there will be additional opportunity. And as we told, we hardly have any loan on our books. So, our gearing is very, very low. So, for growth opportunity, if we find, we have sufficient capability to grab those opportunities and go ahead.
- Shashwat:** And sir, any update on the Supreme Court hearing?
- Padam Kumar Jain:** Supreme Court hearing had taken place twice. And again, it's continuously going on. Next, it will be held on 18th of this month. Hearing is going on.
- Moderator:** The next question comes from the line of Manav from YES Securities Limited.
- Manav:** Sir, my first question comes, we are looking at the coal mines at 1.8 million tons. What runway should we see going ahead for the expansion up to 5.2 million. Could you give me some timelines and how in the phased manner are we going to grow this?
- Padam Kumar Jain:** In the first phase, we will move it from 1.8 million to 3 million tons approximately. And it will also take time of 2 to 3 years, to seek all the approvals. And before that, we don't have any coal consuming plant expansion also in hand. So before we have expansion of our power plant capacity, we will have expanded capacity in place.

Manav: Got it. So basically, this coal expansion will take place around about in FY '28, and that's when the coal will start flowing into our power plants. That would be the...

Padam Kumar Jain: No. Presently also, coal is flowing to our power plant. I said with the expanded capacity of power plant, we will require higher quantity of coal. So before that, the coal mine expansion will come up. And even we can go for merchant sale also in between if there is some time gap in commissioning of the power plant, we will have merchant sale of the coal from our existing coal mine.

Manav: Got it. Got it. And just an extension of this. We also have coal mines in Indonesia. Could you give me what's -- how the annual mining capacity is out over there? And what sort of realizations and margins do we get? That is completely for merchant sales, I'm guessing.

Manish Sarda: So, in Indonesia, we are targeting a production of 1.8 million tons. But let me brief you that our Indonesian coal mines is on the -- what we call the backflow of the sea. And the advantage is that we have a jetty, but the disadvantage is that many times, there's a lot of flooding which happens because of heavy rains in that area.

Also, the land acquisition is a bit troublesome because of the plasma plantation of rubber and palm oil. So, we are trying and we have been continuously trying to seek the government intervention there, which happens from time to time in acquiring the land and the surface rights. And hopefully, we should be able to garner some strength in that and probably acquire some more lands. Because the expansion purely depends upon the land acquisition out there. That is one thing. But hopefully, we'll be touching 1.8 million tons in the coming 12 months.

As far as profitability is concerned, I right now, I wouldn't have the exact numbers, but Mr. P.K. Jain will get back to you on that. You can specifically ask for that on an e-mail or you can talk to Mr. P.K. Jain separately, and he'll be able to give you the exact numbers for the profitability.

But decent operations have started taking place because of the volumes that we have been able to mine, and it's a profitable venture now. So -- and we are hoping with 1.8 million tons, it will become a little more profitable going forward.

Manav: Got it. Got it. That is quite helpful. Sir, my second question is for the thermal power generation that we do. Earlier, we used to have in our presentations, we also used to include the CPP production and sales. So, if you could just provide me with that number, I think it was missing from this presentation onwards?

Padam Kumar Jain: Yes. CPP, generally, we hardly sell very minimal quantum. So far as sales is concerned, it's a minimal as we said, whenever we get opportunity and where margins on the steel production is low, then only we sell the captive power. Otherwise, we don't sell.

But so far as production is concerned, during the quarter, we had a captive power generation of 339 million units as against 355 million units in the last quarter. And corresponding quarter of the previous year, we had generation of 336 million. So, it is in the range of 34 crore to 35 crore units per quarter.

Manav: Got it -- got it, sir. Sir, one last question would be on SKS Power. I mean, we have seen that the Supreme Court hearing is going.

Moderator: I'm sorry to interrupt you, Mr. Manav, but please rejoin the queue for further questions. The next question comes from the line of Prolin Nandu from Edelweiss.

Prolin Nandu: I have a -- first question is on steel and ferro alloy. While you alluded that prices are quite low and cycle should turn. But is there a scope to -- I mean, improve the product mix or probably think about getting into a forward integration right, so that we don't have to be dependent on cycle. Is there a thought process maybe not in the near term, but in the medium term to probably see how do we increase the share of value-add and get into some kind of a forward integration so that these cycles don't affect us as they have done in the past?

Manish Sarda: Sorry, can you just repeat again, because the voice is cracking up and coming. I'm in a little low signal area. So I would request you to kindly repeat the same, please.

Prolin Nandu: Yes. Am I audible now, sir?

Manish Sarda: Yes. You are audible even before. It's just that you were missing.

Prolin Nandu: I will repeat, sir. So my question was on steel and ferro alloy segment. While you have answered the question that we are at a cyclically low in terms of demand-supply mismatch. But my question was that, how do we ensure that we improve the mix or get into forward integration so that such cycles in steel don't affect us going ahead.

So is there a thought process maybe in near term or the medium term to ensure that we work on mix or maybe do some capex to get into some kind of a forward integration in these two segments?

Manish Sarda: So frankly speaking, we've had the brainstorming, which is always ongoing as a process in the group. And right now, we don't have any immediate focus. If you look at it, we were producing 6 million tons of -- 0.6 million tons of pellet. We have increased that capacity. So, we have increased our ferro alloys capacity in the last 1.5 years. If you've seen that we have come out with a new furnace at Vizag. We will be expanding, but we will be expanding with a lot of caution. And we will be expanding in a very strategic manner.

Now as Mr. P.K. Jain has also mentioned that we are looking at a couple of assets in the NCLT. So primarily, it may not be in the steel or in the ferro alloys sector. It can be in power, it can be in hydropower. It can be any asset which is strategic to us and which makes more sense in terms of our stakeholders and shareholders.

So, we are looking at expansion, continuous expansion, but may not be exactly in steel and ferro alloys. It may happen so that we go into steel and ferro alloys as well, but it has to be very strategic for us.

We are already looking at our iron ore mine, which we have acquired in Gadchiroli. If you are aware that the company has already got one mine in Gadchiroli. So, we are currently evaluating

that as well. And we are seeing what downstreams we can do in that project, in that iron ore mine, so that it actually creates value for all the stakeholders.

Prolin Nandu:

Sure. That's helpful. My next question is on the SKS and the thermal power. Now you are going to take a shutdown, right, is what you mentioned. So, this is going to be how long and is it going to be for -- how much is going to be the -- I mean, is this the yearly kind of a thing? Or is there something else that you intend to do? And also, can you help me understand how much of the capacity is earmarked under PPA? And what are our plans to get more PPAs on that particular power plant?

Padam Kumar Jain:

So, part of the shutdown will be in this quarter, maybe second half of the December and part will be in January. So, the shutdown will be spreading over. And that is a routine annual maintenance shutdown. That happens every year.

Last year, it was in the month of September, October. This time, it is in the December, January, depending upon the demand-supply scenario, we move this here and there by 1 or 2 months. So that shutdown is planned based on the market conditions of the demand and supply.

Second, so far as PPAs are concerned, presently, most of the power we are selling in the short-term arrangement where we are tying up power for 1 month, 2 months, 3 months. And now we have entered into a few of the contracts for medium term, and we are also in dialogue for one long-term contract for part of the capacity.

So, what we -- our plan is that to have at least 50% tied up for medium or long term and out of balance 50%, some, maybe 20%, for the short to medium term and the remaining 25% in the open market. This is our long-term strategy for the project.

Prolin Nandu:

And when do you intend to reach that strategy, sir, this mix?

Padam Kumar Jain:

Sorry?

Prolin Nandu:

By when do you intend to reach this mix, sir? How much time will it take, sir, for our mix to be what you intend to, right? I mean, 50% long...

Padam Kumar Jain:

We have already -- As I told, we have already tied up one medium-term contract for about 100-megawatt, 125-megawatt is under negotiation and 100-megawatt for long term is under negotiation. So, we are already moving ahead. And I think before the end of this year, we should be able to achieve those targets. Our long-term strategy is that partly we have long term, partly medium term and partly short term for the open market conditions so that we have advantage of all the markets and average out the realizations.

Moderator:

The next question comes from the line of Manav from YES Securities Limited.

Manav:

So, my question is regarding the Supreme Court hearing. I think you mentioned it's going to be on 18th of November this month itself. And we have seen constantly that the dates have been getting shifted. So I mean, are we facing any challenges? Or how should -- I mean, what's your take on the same?

- Padam Kumar Jain:** No, we are not facing any challenges. It's a legal process, which takes its own time. Two hearings have already taken place. One hearing is detailed arguments have already taken place. On the second hearing day, this could not happen because of other engagements of the court. So, next hearing has been fixed on 18th. So, it's a normal legal process, and it takes its own time. Otherwise, we are not facing any hurdle as such.
- Manav:** Got it. Got it, sir. And sir, my second question would be, could you...
- Manish Sarda:** Just to clarify, I think we are at the fag end of the court case, and there is absolutely no hurdle whatsoever. So you guys can be rest assured on that.
- Manav:** Got it. Got it. That is quite helpful. Sir, my second question pertains to what sort of capex can we look at FY '26 and FY '27?
- Manish Sarda:** Jain saab, they are asking for capex. There is a break in between but they are asking for capex for FY '26 and '27.
- Padam Kumar Jain:** FY '26, we have estimated capex of INR500 crores to INR600 crores. And for next 3 years, as we stated, we already lined up capex as of INR500 crores to INR700 crores every year. That is what is already committed. In addition to that, whatever opportunities we get. And now we will start working on the expansion of the IPP that is in addition to these things. What all capex I have explained to you relates to the iron ore mine, coal mine and hydropower projects.
- Moderator:** The next question comes from the line of Rajesh Bhandari from Nakoda Engineers.
- Rajesh Bhandari:** Sir, congratulations for the good results. And of course, it was a little down, which you also explained the reason. My main point is on the expansion of the thermal power plant, in which the process, the approval process is still going on. Sir, how much time will it take approximately?
- Padam Kumar Jain:** Sir, it will take at least 2 years on the minimum side.
- Rajesh Bhandari:** But we only have BTG, sir, boiler, turbine and generator. We have all the other peripherals?
- Padam Kumar Jain:** No, no, the approvals are , the environmental clearance, forest clearance and other government approvals are required. These approvals to set up the plant take time .
- Rajesh Bhandari:** Yes, yes. Okay. 2 years. And then we will instal the plant in it. How much time will it take, sir?
- Padam Kumar Jain:** Now, for setting up the plant, time also depends on how is the delivery schedule at that time. It generally takes 3 years.
- Rajesh Bhandari:** Yes, normally 3 years. But our cost is going to be much lesser than a normal plant for 600 megawatts?
- Padam Kumar Jain:** Yes, definitely. Because we have ready infrastructure.
- Rajesh Bhandari:** Ready infra. And by the time, our coal requirement also will be met from coal mining expansion?

- Padam Kumar Jain:** Yes, it will come from coal mining expansion. For IPP, we also get coal at a concessional rate from the government. So, we are in the coal belt and our power plant is surrounded by coal mines
- Rajesh Bhandari:** And that power selling will not be a problem, after 3 year...
- Moderator:** Sorry to interrupt you, Mr. Rajesh. But I request you to rejoin the queue for further questions. The next question comes from the line of Prolin Nandu from Edelweiss.
- Prolin Nandu:** So again, a similar question to previous participant. In terms of expansion, right, is this going to be an 800-megawatt expansion or 600-megawatt expansion? And you mentioned that you have started the process of approvals, right? So, is it like we are -- it's more in our hand as to when do we execute? Or are we going to time it?
- Are you waiting for maybe Supreme Court's this thing to come before we expand? Just wanted to understand where are we, because I'm sure wherever you order your BTGs, right, they will have their order book full. So, it's sooner to probably -- I mean, better to place the order sooner rather than later. So, just wanted to understand, are we waiting for some milestone to get done before we push on the pedal for this new expansion? Or what is it?
- Padam Kumar Jain:** No. Approval is the preliminary requirement unless we have approvals in our hand. We are not waiting for anything. We are -- we have already gone ahead for approvals. All the studies have to be carried out. DPR preparation is going on.
- And all those things, we are evaluating. All those options, as you told, shall we go for 660, 600, 800, all those studies are going on, parallelly. So, we'll take a final call to set up 600 megawatts, 660 megawatts or 800 megawatts depending upon the final recommendation of the experts on the viability study.
- Because all the sizes have their own, both advantages and disadvantages. So looking to the peculiar location of the plant and all other things, based on the recommendation of the experts, we will go ahead with the capacity. And we have already moved ahead and taking steps for approval. So, we are not waiting for anything. And nothing that we are holding back for something or like that. So that process is already on.
- Prolin Nandu:** Understood. And once you -- what you said to the previous participant's answer was that, once you have decided which configuration to go with, after that, it will take 2, 2.5 years, for plant to get commercialized, right? Is that understanding correct in terms of time line?
- Padam Kumar Jain:** No, it's not only that (configuration) because by end of 1 year, I may be able to finalize my configuration. But unless I have approvals in place for going ahead with the project, I cannot start work on the ground. So that is an independent aspect. So first, we have to have the forest approval, forest clearance. That will take some time. After that, only we can start work on the ground.
- Prolin Nandu:** Got it. So it's the combination of two, three things, right? We're taking decision as to what we need to do. Simultaneously, approvals are in place. And then we place the order and whatever time it takes, right?

Padam Kumar Jain: Yes, yes, yes.

Prolin Nandu: Okay. And one last question, sir. You mentioned that apart from this expansion of your existing coal mines, another mine, which you have acquired recently have -- will also come to production sometime next year, right? What is the capacity of that coal mine?

Padam Kumar Jain: That is 0.6 million tons per annum. That is Shahpur in State of Madhya Pradesh.

Prolin Nandu: Okay. And it will come in the second half of...

Padam Kumar Jain: Yes, that will come up for production in the next financial year.

Manish Sarda: And that's a high-grade coal mine. That's a better quality coal mine.

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

Rajesh Bhandari: Sir, I have a one question. Which is the best quarter for thermal power and which is the best quarter for hydropower?

Padam Kumar Jain: Sir, for hydropower generation-wise second quarter, that is July to September is the best. For thermal power, generally it is from February to mid of July. So, it covers -- February to mid of July.

Rajesh Bhandari: January to July. Okay, okay. Okay, Does the demand decrease after that, sir?

Padam Kumar Jain: In the monsoon, the demand for thermal power remains low because in the rainy season, climatic conditions are better. Hydropower generation increases and agriculture sector demand also goes down

Rajesh Bhandari: But does it pick up again after October?

Padam Kumar Jain: Yes, it picks up again after October because the demand for air conditioning remains low.

Rajesh Bhandari: That remains low. Correct, correct.

Padam Jain: And hydro generation is also better. Best part is February to July.

Rajesh Bhandari: Ji, Ji, The production of mineral fibre has started, sir. What turnover we can expect?

Padam Kumar Jain: Sir, it will take some time in marketing in the initial period. Because it is a new product .

Manish Sarda: Mr. Rajesh, let me tell you that the turnover in this will be, when the full-fledged production is done, it will be roughly around INR130-, INR140-odd crores.

Rajesh Bhandari: Okay. What is its application, sir?

Manish Sarda: It has various different products at different price levels. Some products are sold for INR40 and some for INR75. So, we are still in the process of getting approvals, etc. It will take some time to do an exact assessment and tell you, but it will be INR100 crores plus only when it operates

full-fledged. It is more on -- please understand that your group Sarda Energy has gone in terms of reducing their carbon emissions, getting green tag, getting green council approvals for a circular economy within the plant premises.

So primarily, if you look at it, it's a product that we have started producing to be more carbon neutral to mitigate the risk of CBAM to a certain extent and to reduce the carbon footprint of the company overall. And the application of this product is in industries, in various industries, which is required, and it is also required in all the buildings, commercial buildings, industrial buildings, residential buildings.

Basically, it is insulation material, which goes into panels and then it is applied into the building outside facades and the roofs. And also this material is used for insulation in industries like pharma, steel, power plants.

Rajesh Bhandari: Yes, sir. Insulation has a lot of applications.

Moderator: The next question comes from the line of Manav from YES Securities.

Manav: Sir, one question in regards with Shahpur West mine in Madhya Pradesh that we are speaking of, the 0.6 million tons. You mentioned that this is a high-grade coal mine. So, I just wanted to know, are we going to be using this coal for power generation? Or is it steel-grade coal that this mine is going to be producing?

Padam Kumar Jain: This will be for the steel and ferro alloys, not for power. This is a high-grade coal, which will be used for -- to replace our imported coal application.

Manav: Got it. Got it. And sir, one question on hydropower. Considering that we had sort of extended monsoons, do we expect a higher PLF for this quarter, Q3 as compared to the last Q3?

Padam Kumar Jain: Yes, yes.

Manav: Okay. And the pricing also can be seen in the same range? Or do we have some subdued side on the pricing?

Padam Kumar Jain: I didn't get. Same range means?

Manav: Like as to the last year also, like on a quarter-on-quarter basis, how is the pricing shaping up for the hydropower?

Padam Kumar Jain: Quarter-on-quarter, generation will be lower, because the second quarter is the peak season, full rainy season. But if you compare Y-o-Y, year-on-year, there will be reasonably good growth in the generation.

Manav: No, no, that I got it, sir. But how is the average selling price per unit going to be on a quarter-on-quarter basis from Q2 FY '26 to Q3 across the Power segment?

Padam Kumar Jain:

If you see for the two of hydropower projects, we have long-term tie-up. So, we have a fixed price irrespective of the quarter. For the whole year, we have a fixed price for 2x25-megawatt hydropower projects.

For Sikkim hydropower project, we are selling in the open market. So prices will be better than the second quarter because second quarter, we have the lowest price because of rainy season and the lower demand.

Third quarter prices move up and fourth quarter prices are much better. Fourth and -- peak is in the first quarter because that is April, May, June is the summer season, there you get the highest power realization. February, March also, you get very good price realization, but lowest price realization is in second quarter and November, December. These are the low price periods in power sector.

Moderator:

Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for the closing comments.

Padam Kumar Jain:

Thank you. The operation of IPP and the newly commissioned Rehar Hydropower projects are fully stabilized, which is reflected in their capacity utilization. Solar power plant is expected to start operation by the end of current financial year. Shahpur coal mine will also commence operation in the next financial year. All these will add to the performance of the company in the ensuing quarters.

We remain confident of delivering record results for financial year '26 despite sectoral challenges in the steel sector. Our strategy of reinvesting surplus cash into diversified future-ready projects provides visibility on the growth perspective.

Thank you for joining us today. For any queries, please feel free to reach out to us or our Investor Relations team. Thank you.

Moderator:

On behalf of Sarda Energy & Minerals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.