May 17, 2024

BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400 001 corp.relations@bseindia.com **Scrip Code: 532286**	**National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai-400051 cmlist@nse.co.in **Symbol: JINDALSTEL**

Dear Sir / Madam,

SUBJECT: TRANSCRIPT OF EARNINGS CONFERENCE CALL HELD ON MAY 13, 2024

This is in furtherance to our letter dated May 8, 2024, w.r.t the Earnings Conference Call intimation for the financial results with the Institutional investors/ analysts.

In terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earning conference call is enclosed herewith and has also been uploaded on the website of the Company at www.jindalsteelpower.com.

You are requested to take the above information on record.

Thanking you.

Yours faithfully,
For **Jindal Steel & Power Limited**

ANOOP SINGH JUNEJA
Digitally signed by ANOOP SINGH JUNEJA
Date: 2024.05.17 17:57:53 +05'30'

Anoop Singh Juneja
Company Secretary

Encl.: as above

"Jindal Steel & Power

Q4 FY '24 Earnings Conference Call"

May 13, 2024

MANAGEMENT: **MR. SABYASACHI BANDYOPADHYAY – EXECUTIVE DIRECTOR – JINDAL STEEL & POWER**
MR. SUNIL AGRAWAL – CHIEF FINANCIAL OFFICER – JINDAL STEEL & POWER
MR. VISHAL CHANDAK – HEAD OF INVESTOR RELATIONS AND STRATEGIC FINANCE – JINDAL STEEL & POWER

MODERATOR: **MR. ASHUTOSH SOMANI – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Steel & Power Q4 FY '24 Earnings Conference Call hosted by JM Financial. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Somani. Thank you, and over to you, Sir.

Ashutosh Somani: Yes. Thanks, operator, and welcome, everyone, to the call. I will first thanks JSP for giving JM Financial Institutional Securities Limited the opportunity to host today's call. Without much ado, I'll hand over the call to Mr. Vishal Chandak, Head Investor Relations and Strategic Finance, to introduce the management. Over to you, Sir.

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Vishal Chandak: Thank you, operator. Good evening, ladies and gentlemen, and thank you very much, Ashutosh, for hosting the call on our behalf. We welcome you to Q4 FY '24 Earnings Call for Jindal Steel & Power. So we have with us Executive Director, Mr. Sabyasachi Bandyopadhyay; and our CFO, Mr. Sunil Agrawal with us.

So without much ado, I'll hand over to Sunil Sir, for his opening remarks, and then we'll open up for the Q&A. Over to you, Sir.

Sunil Agrawal: Yes. Thanks, Vishal. Good evening to all. So let me first start with the overview of operational performance of the company for the fourth quarter of financial year '24. Our sales volume had gone up by 11% on a quarter-on-quarter basis, which has grown to 2.01 million tonnes. The growth has come mainly from the higher export. Overall share of export in Q4 was 11% versus 3% in the previous quarter. Our steel realization was down by 5% quarter-on-quarter basis. The NSR was lower in both export and domestic markets.

As we exit, we see slight uptick in realization by 1% in Q1 of 2025. Our SMS costs were almost flat on a quarter-on-quarter basis, although coking coal price was up by $21 for the quarter, which is offset by higher efficiency in our operations, which reduced our costs remain flat.

Further, we are expecting lower price of coking coal in Q1 of '25 by $30 to $40. Our adjusted EBITDA for the fourth quarter was INR 2,512 crores which is 10% lower on a quarter-on-quarter basis, mainly on account of lower sales realization and this is offset by a higher volume. Our PAT for the quarter was INR 933 crores, which is down by 52% on a quarter-on-quarter basis due to lower EBITDA and some impairment provision that we took on our Australian mine, which amounts to INR 360 crores.

Now I will update you on the financials for the complete year. Our production and sales volume remained flat, almost flat for the year. Average NSR was down by 7%, but SMS cost is again down by 9% for the year. Our adjusted EBITDA was up by 5% to INR 10,231 crores for the year, mainly due to lower cost and higher product mix. PAT for the year was up by 86% to INR 5,943 crores from the previous year.

Now I'll take you through the debt. Our consolidated net debt is INR 11,203 crores as against INR 9,115 crores in the last quarter, which is mainly to support our capex expenditure. Now I will update you on the dividend side. The Board has recommended a dividend of INR 2 per share for the financial year.

With this, I will conclude and hand over for question-and-answer session. Thanks.

Moderator: Thank you very much. The first question is from the line of Amit Dixit from ICICI Securities. Please go ahead.

Amit Dixit: Congratulations for a good set of numbers. I have 2 questions. The first one is on the inventory. If I see the inventory has gone up Y-o-Y, while we find that commodity prices in general have gone down. So is it a finished product inventory or raw material inventory? How much would be the finished steel inventory at this stage?

Sunil Agrawal: I think Vishal will provide you with details. I mean inventory is up in finished goods as well as in raw material to support our production. So we have increased the inventory of our coking coal, which is in the raw material, and we have upped the finished goods inventory as well also. The details will be provided by Vishal to you.

Amit Dixit: Okay. Sure. The second question is, in the absence of presentation at this stage, if you could just elaborate on the progress of various packages with respect to the ongoing group project?

Sunil Agrawal: So we are on track. Basically, whatever projection that we have given earlier, so we are on track on all the projects.

Vishal Chandak: Amit, the presentation has been uploaded. So I would request you to kindly refer to Slide 30 of the presentation as well. As far as the projects are concerned, we are on track to deliver whatever we have guided so far.

Amit Dixit: Okay. What would be the capex guidance for FY '25?

Vishal Chandak: So if you remember 2 quarters ago, we had published our capital allocation policy where we had mentioned that our capex would be in the range of INR 7,500 crores to INR 10,000 crores depending upon the kind of EBITDA that we earn through the year. So the philosophy is basically to spend whatever we have earned keeping the debt in check.

So, so far, the plan is to maintain the capex spend in the range of INR 7,500 crores to INR 10,000 crores only. However, if the EBITDA generation through the year is higher, we would want to accelerate the cash flow as well on the capex front. But again, the whole thing would be subject to a disciplined balance sheet approach.

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

Sumangal Nevatia: My first question is on the volumes, given we are seeing good progress on all the expansion projects, and they remain largely on track. What sort of volume can we expect overall for FY '25?

Sunil Agrawal: So we are expecting good volume in the FY '25. So exact numbers, we will not be able to tell you. But certainly, we'll do much better than the financial year '24.

Vishal Chandak: So Sumangal, as you all know, we do not give any forward-looking guidance, but as you have pointed out that the capacity is getting commissioned, backward integration progressing smoothly, we should be able to clock a better volume run rate compared to what we have done in FY '24.

Sumangal Nevatia: Okay. Got it. And from the blast furnace BF and BOF2, do we expect commercial production to start from the third quarter onwards?

Vishal Chandak: So basically, that would depend on the ramp-up of the blast furnace when we declare commercial production. Commercial production is subject to a lot of testing parameters being achieved. So I would request Saby, Sir, also to elaborate on that.

Sabyasachi B.: Thank you, Vishal. I think we are on track pretty much in terms of the project execution. And as Vishal said, there are commissioning parameters, which need to be vetted out once we put it in place. But so far, we do not see any major hinderances in terms of our targets.

Sumangal Nevatia: Understood. Just continuing on this one is, if you could just share what's the status of the 2 coal blocks where mining lease is yet to be obtained. When do we expect that to kind of start?

And secondly, slurry pipeline, we are still maintaining 1Q '25. So if you could just update I mean, given that it's maybe a month away from actually commissioning, what sort of savings do we expect from the slurry pipeline?

Sabyasachi B.: So as far as the 2 coal blocks are concerned, we are, again, pretty much on track and as per the published document, we will hit those roads. Your second part was regarding the slurry pipeline. I think, again, there is a small patch that we are working on in terms of getting the permissions in place. That's what we are waiting on right now. Rest of the work is very much on track.

Vishal Chandak: Sumangal, just to add on to what Saby Sir mentioned, in terms of the 2 thermal coal mines, Utkal B1 and B2, we have not given any specific guideline as to which quarter or which month we hope to open these mines. But definitely, within the year, we would be opening it. Since these are matters which are outside our control, so we'll not be able to give you any specific update on that. But yes, we are in a very advanced position to open these mines.

Moderator: The next question is from the line of Kirtan Mehta from BOB Capital Markets.

Kirtan Mehta: Just wanted to understand in terms of we have a capital allocation plan that we have specified the capex at INR 7,500 crores to INR 10,000 crores. What could be the impact on the project delivery either if we are at the lower end or at the higher end? Would this target be achieved even if we are at the lower end?

Vishal Chandak: Saby, Sir, can you please take this?

Sabyasachi B.: Yes. So first of all, the capital expenditure that is envisaged in this, so the lower end capex that is envisaged that will certainly help us to hit the numbers that we are there. There are on the higher side, capex expenditure, that's slated for future growth plans. So I don't see any major obstacles in our way in terms of the capex. And as Vishal has very clearly stated earlier, our capex plan is based on our debt management. So overall, I think we are on track with our production plans and our investment plans.

Kirtan Mehta: So the way I understand is even if we spend INR 7,500 crores for the next 2 years, our target, we will still be able to deliver on all the projects without any delay for the purpose of capital expenditure. And even if we do INR 10,000 crores, there will not be any acceleration in this projects. Am I understanding you correctly?

Vishal Chandak: No. Kirtan, just let me put it this way. What we have mentioned on our capital allocation policy is that our capex spend would be in the range of INR 7,500 crores to INR 10,000 crores per annum, okay, depending upon the kind of EBITDA that we generate. For the projects of this size and magnitude, you cannot expect that we will spend exactly INR 7,500 crores every year only. There could be a time when we spend a lot more than that and there could be a time when we spend a little less than that, okay? But overall, the ballpark range would be in this and it will be managed in a fashion that we don't spill over on the project timelines. So rest assured, neither there is a cost overrun nor there is a time overrun on these parameters.

Kirtan Mehta: But for the immediate 2 years, are you expecting anything above this range or to be spent below this range to deliver on the timeline target?

Vishal Chandak: As of now, there is nothing envisaged. If we have something on this, then we will definitely come back to you on this.

Kirtan Mehta: Sure. The second question was about our arrangement with RINL where we were looking to sort of secure higher metallics, which could allow us to operate crude steel operation at a higher run rate, is there any further progress on that, that you can share and whether we will receive any benefit of higher metallics in FY '25?

Sabyasachi B.: We are under discussions with RINL for potential of higher availability. So that discussion is going on. So far, we are continuing with the current process that we have already established. Vishal or Sunil Ji you want to reflect on that, any additional comments?

Sunil Agrawal: Yes. So we are getting supply from RINL for the billets as per our MoU, which is continuing, and we are expecting that the required quantity will get from the RINL.

Kirtan Mehta: Just to follow up what is the quantity that we are currently getting? And what is the quantity that we are envisaging for FY '25?

Vishal Chandak: Kirtan, that is not in the public domain. So you might refer to any media reports, but we have not specified the agreement in the public domain.

Kirtan Mehta: From a perspective the analyst, it would help us model the FY '25 production level. So if you can share from your side, we can work with a more informed way of estimating the FY '25 productions.

Vishal Chandak: Maybe we'll take it offline and maybe I can help you a little bit on that later.

Kirtan Mehta: Sure. Just last question was on the write-off that we have taken in the Australia coal block. Could you give us more color, what does it pertain to and what is our plan for the Australian asset from here on?

Sunil Agrawal: Yes. Just I will update. So this is the annual exercise there. So as per local, they have to get the impairment testing every year. So this year also, they have got the impairment done. So this is for the intangible assets, they are carrying in their books. So right now, the Australian mines, we have taken under care and maintenance due to certain issues there. So we are not operating that mines. So we have taken impairment of around INR 360 crores.

Kirtan Mehta: And is this likely to be become operational again in FY '25 or it could take longer?

Sunil Agrawal: No, we are planning to operate a bit single-shaft basis sooner. We will get the permission and we'll start production with single shaft.

Moderator: The next question is from the line of Ritesh Shah from Investec.

Ritesh Shah: The first question is on consumption basis, what was the cost for coking coal and iron ore for this quarter?

Sunil Agrawal: Yes. So these numbers, we don't share generally. So anything you require you can contact to our, Vishal for the detail if you require them.

Vishal Chandak: Just to add, Ritesh, we have mentioned that there was an uptick in our coal cost, which is in a range of $15 to $20 and that is what has played out through the quarter on a consumption basis.

Sunil Agrawal: And I have already indicated that for the Q1, there will be a reduction of around $30 to $40 that I have already mentioned in my previous statement.

Ritesh Shah: Okay. Possible to give some details around iron ore sourcing strategy for the company right now and going forward?

Sunil Agrawal: We are sourcing our iron ore from NMDC, OMC. We have the MoU with all of them, and we are participating in the auctions as well. So we are sourcing from different sources.

Vishal Chandak: So basically, Ritesh, if you look at it, we operate 2 captive mines. One is Tensa and the other one is Kasia. The EC limit for Tensa is about 3.11 million tonnes, which would be mined to the fullest. Kasia, EC level is about 7.5 million tonnes, which we typically do in the range of 6 million to 7 million tonnes depending upon the market conditions. Balance is sourced on a long-term agreement basis and on the spot market, depending upon the value in use. So it's a mix of both.

Ritesh Shah: This is helpful. And can you please help me with the throughput for the 2 coal mines, which I believe have started, tonnage as well as potential cost savings?

Sabyasachi B.: So Sunil Ji, do you want me to take this? Vishal, can I take this?

Vishal Chandak: Yes, Sir, please go ahead, Sir.

Sabyasachi B.: Yes. So again, we do not generally provide the forward-looking guidance, but I can tell you that we have hit capacity, and we are augmenting the capacity. So the EC capacity we have, in fact, upgrading for both Gare Palma IV/6 and Utkal C. And both will go up to 5 million tonnes per annum. And we are in the process of doing that application and get ourselves to that.

Ritesh Shah: Sir, would it be possible to quantify the throughput that we had in the quarter, just trying to get a sense on the cost savings that we would have benefited during the quarter?

Sunil Agrawal: Yes. So basically, we have done from the Gare Palma around 1 million tonne and around 0.9 million tonnes from the Utkal C for the Q4, that we can explain. Regarding the cost saving, generally, we don't provide. You can contact Vishal for this.

Ritesh Shah: Sure. Sir, how much did you say for Utkal C, I missed it?

Sunil Agrawal: Utkal C is 0.9 million tonnes.

Ritesh Shah: 0.9 million tonnes, okay. Sir, last question, I'll just squeeze in. Are we on schedule for HSM? Because I think BF, BOF, HSM was interlinked that is what was explained in the last call, I do understand that you do not want to share details pertaining to RINL sourcing. But are we confident on rolling out stuff from HSM, say, by Q3? Is there something on track?

Sabyasachi B.: Yes. HSM is fully on track. We have already hit the run rate for 3 million tonnes. And we will end the year probably, again, it's a forward-looking statement, not saying in particular, but this year, 3 to 3.5 million tonnes and next year, 6 million tonnes, that's the target.

Ritesh Shah: Sure, Sir. This is very helpful. And then last one, the pellet plant, if you could help on the utilization levels and how should we look at the profitability, if at all over here?

Sabyasachi B.: So I can give you what we have been hitting. And in Q4, we clocked at around 4,500 tonne plus a day. And in April, we went back, we took that up to almost 8,300 plus tonnes per day. And in May right now, we are clocking somewhere in between 9,000 tonnes to 10,000, tonnes depending on the days. And that's what we intend to continue and ramp up further.

Moderator: Our next question is from the line of Pavas Pethia from Aditya Birla Mutual Funds.

Pavas Pethia: Just in terms of overall capex, what is left to be spent in the next few years for this INR 31,000 crores?

Sunil Agrawal: This is close to INR 15,000 crores. So we have spent around 50% we have already spent and 50% we are targeting that over the next 2 years we'll spend.

Pavas Pethia: And maintenance capex will be over and above this? Just for quantum?

Sunil Agrawal: Yes, that is over and above.

Pavas Pethia: What quantum annualized basis?

Sunil Agrawal: So basically, we are expecting around INR 2,500 crores for the maintenance.

Pavas Pethia: Okay. And just lastly on this Australian mine operation. If the mine remains shut, what is the cost we incur annually if there's no production?

Sunil Agrawal: Not much. We have already reduced a lot of manpower there. So our cost is minimum there. I can explain that we have some minimum expense there as of now.

Vishal Chandak: So basically, Pavas, the mine is now under maintenance and care like there is a very, very minimal sustenance cost over there, which is not a very big number over there. So basically, your overseas businesses earn and spend on their own, and there is no material cash flow which moved out from the parent company into the overseas. So if the intent is to understand whether are we funding the overseas projects? No, we are not. So basically, among the overseas, they are earning and investing on their own and sustaining their own expenditures largely.

Pavas Pethia: Okay. But you said that INR 360 crores was kind of losses from last year for Australian mines. So how is it supported?

Vishal Chandak: These are not the losses. This is an impairment taken.

Sunil Agrawal: This is a noncash item.

Pavas Pethia: Okay. So incrementally, no cash flow from Indian entity.

Sunil Agrawal: No, no, no. We have not sent any single pie from India for this during the last year.

Vishal Chandak: I think we have mentioned in our previous calls also, Pavas, that the overseas operations have to earn their own EBITDA to meet their expenditure. We have long-stopped funding from the India business.

Pavas Pethia: Okay. But any corporate guarantees which are kind of being supported from Indian balance sheet?

Sunil Agrawal: Not much. We have cleared all the corporate guarantees. Since we have one, 4.6 million AUD bank guarantee is there, corporate guarantee is there. Otherwise, there is no as such, any corporate guarantee from India side.

Moderator: The next question is from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: First, I want to understand about the NSR. So just to understand, you said NSR, how was the NSR this quarter versus last quarter?

Sunil Agrawal: Yes. So we have just given you what the growth reduction in percentage basis. Exact number we don't provide in the call. So if you require anything specific, Vishal will provide you.

Indrajit Agarwal: So the percentage will also do. So quarter-over-quarter, how much was the move in NSR?

Sunil Agrawal: Basically, as I have already explained, there was a reduction in 5% on quarter-on-quarter basis for steel NSR.

Indrajit Agarwal: Okay. And was there any pellet sales? How much, if any, in this quarter?

Sunil Agrawal: So no, break-up we don't provide.

Vishal Chandak: There is no pellet sale in this quarter. So Indrajit, the pellet plant has not ramped up to its fullest capacity. And once the pellet plant also ramps up, the new blast furnace will come in. So we may not have any real surplus pellet to actually sell in the market.

Indrajit Agarwal: The reason I'm asking is our calculated realization is actually showing an uptick quarter-over-quarter. So I just wanted to understand why is the disconnect?

Sunil Agrawal: So that is mainly on account of how other like cement, power, everything other, and sales that we have arrangement with RINL, we are providing them the materials. So that includes, that's why our overall turnover is higher.

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

Amit Murarka: So similar question as the previous participant had. Like could you just help better understand this movement in revenue then because NSR is down, like what are the other factors which have offset that? And if you can give some color as to the number also?

Sunil Agrawal: So I think the details Vishal will provide you.

Vishal Chandak: See Amit, pursuant to our MoU with RINL, we have provided a lot of material to them, and that is getting reflected as part of our sales in the accounting, okay. So the uptick that you see is basically the differential is on account of that particular material movement to RINL to support the restart of blast furnace, okay. But if you do your math, you'll see if you've taken a 5% reduction on Q-on-Q, the balance is largely, the material supply to RINL.

Amit Murarka: Okay. Got it. So that's the larger part of the explanation is it?

Vishal Chandak: Yes. So you can take this as a one-off and then adjust it because this is not going to be incrementally recurring every year.

Moderator: The next question is from the line of Rajesh Majumdar from B&K Securities.

Rajesh Majumdar: Yes. Sir, my first question was from April 1st till date, what is the quantum of price hike you've seen in terms of an average price increase on a quarter-on-quarter basis and how much of that will reflect in 1Q?

Sunil Agrawal: So this is around INR 1,000 on ballpark number, I'm saying. So it is already up by INR 1,000 per tonne. And further, we are seeing upside in the market in the month of May and June.

Vishal Chandak: So Rajesh, if you see, NMDC has raised iron ore prices about INR 300 per tonne, and that would be a similar range for other private miners. So you can quickly do the math, about INR 1,000 increase in steel prices, roughly about INR 300 odd numbers increase in the iron ore prices. And there is what we have already mentioned about $35 to $40 reduction in the coking coal on a consumption basis for the quarter.

Rajesh Majumdar: Right, right. That's helpful. And my other question was on the tax rate, I guess you've seen the tax rate has gone up this quarter. So is that going to be from next year, do we assume that the company will pay the 25% plus kind of tax rate from next year or will it be certainly decrease on that?

Sunil Agrawal: Actually, in the JSP stand-alone, we will be having same tax rate of 25%. And for JSO we'll be having the lower tax that we are achieving in that particular company.

Rajesh Majumdar: Okay. Okay. And my last question is that while ramping up the hot strip volumes, do you expect any kind of cost increases in terms of marketing because of the new products we are trying to sell in the market, which will actually have a kind of impact on the EBITDA per tonne? Any kind of significant increase in marketing or other expenses which you envisage from this?

Sunil Agrawal: So no, we don't see any increase in marketing expenses because we are doing marketing. Our marketing team is doing the marketing of HSM.

Vishal Chandak: So Rajesh, on the contrary, the semis that we have will now be converted into HR coil and would be sold. So converse to what you are assuming that there's been increase in expenditure. Actually, we expect an increase in the EBITDA because of conversion of semis into flat steel.

Rajesh Majumdar: Correct. That's fine. No, I know that. I was just wondering if there's going to be any kind of increase in the other expenses that we should kind of look at.

Vishal Chandak: No, on an overall scale basis, whenever you are increasing your volumes, you will experience some increase in the variable cost as well. But the point is when it comes down to a per tonne basis, you would see economies of scale playing out.

Moderator: The next question is from the line of Ashish Jain from Macquarie.

Ashish Jain: Sir, my question again goes back to realization. I know you partly explained it, but I'm sure this will be a query with everybody. So is it possible to explain it on the call itself?

Vishal Chandak: So Ashish, let me put it this way. What you have seen is basically an increase on a Q-on-Q basis on the NSR that the way we calculate it, right. But Sunil, Sir, has mentioned that there's a 5% reduction in the steel realizations. So if you calculate the differential between these 2, the large chunk of the differential basically goes on account of material supplied to RINL through sales, which is part of the MoU that we have done with them. Balance is a very, very small quantity of other operating income that we always have for any steel mill that you would see flowing through, so that's basic math behind us.

Ashish Jain: Yes. So just to clarify, so we should use the last quarter number 63,000, that's a key number and take a 5% decline on that ballpark? Or that has had some element of the supplies, that's the reason I'm asking.

Vishal Chandak: No, that does not have any element. That is a normal number.

Ashish Jain: Okay. And then the similar amount we should take out from the cost also? Because clearly, your cost also per tonne has gone up sequentially, I guess, for the same reason, it's getting booked on both side.

Sunil Agrawal: Yes, yes. Absolutely, right.

Ashish Jain: So INR 12,500 EBITDA per tonne we are getting is that's a clean number, right? It's all business related, within that, right?

Vishal Chandak: It's all business. Yes, it's a normal operating income only.

Ashish Jain: Okay. Okay. Got it. And secondly, my second question was on the coal mine ramp-up because I know you kind of earlier indicated that it's difficult to put a timeline. But can you give some indication because this was the first year where we have seen the coal mine ramping up? And also, can you give some indication of how the cost savings have come through at least backward-looking, you can give some clarity on that?

Sunil Agrawal: No. No, that we can't.

Vishal Chandak: No. Ashish, we have time and again mentioned that we would want to refrain from giving any color on the actual cost saving numbers because that keeps on varying depending upon the e-auction prices and other things. So I would leave that for your calculation at this point time.

Moderator: The next question is from the line of Kamlesh Jain from Lotus Asset Managers.

Kamlesh Jain: Sir, I had 1 question on the part of the presentation, on 24 Slide number. There was loss of around INR 69 crores in the subsidiary in the EBITDA breach, which was let's say, INR 91 crores in the previous quarter. So was that loss more than this particular quarter?

Vishal Chandak: Can you please repeat the question?

Kamlesh Jain: So there was a loss quarter-on-quarter of INR 69 crores, which we have shown in Slide 24 of the presentation.

Sunil Agrawal: That is mainly Australia operations. That other subsidiary is basically related to Australia operation.

Kamlesh Jain: But in last quarter, it was INR 90-odd crores. INR 91 crores of profit or I would say, in a presentation quarter on quarter in the previous quarter.

And this quarter, it was INR 69 crores loss. So like is it primarily on the operational side because as we have mentioned that in Australian operations, we don't have much of fixed overheads and all those things. But despite that, you had such a significant loss and quarter-on-quarter, if I see roughly around INR 180 crores, INR 170 crores of loss have come up in this particular quarter.

Sunil Agrawal: Kamlesh, basically, that is swing from the previous quarter to this quarter.

Kamlesh Jain: Yes, yes.

Sunil Agrawal: It is not the exact numbers that you are looking at. This is swing from the previous Q2 to Q3 and Q3 to Q4.

Kamlesh Jain: Yes. But if I see from Q2, then it is roughly an INR 170 crores.

Sunil Agrawal: So you can get the details from Vishal. Vishal will explain you separately, Kamlesh.

Kamlesh Jain: Yes. And lastly, on the project commissioning. I do believe I don't give the forward-looking statements for any guidance but even if I see all the project metrics like say on the electrification or civil work, there has not been significant movement quarter over-quarter. And still, we are so confident on our guidance part that all the projects are on schedule.

But honestly, like Q1 FY '25 for slurry pipeline or Q2 FY '25 for BOF looks very stressed. So how much incremental production or all that you are expecting? Because FY '25 like we are going to see the growth and not much of capacity coming on in stream in India. So like even if we see last projects, like 8 million tonnes, that particular guidance also which we have achieved after 3 years of the earlier guidance, which we used to give around 5 years back, so what confidence do we have on these project timeline?

Vishal Chandak: Saby, Sir, would you like to take the projects part.

Sabyasachi B.: Vishal, somehow, there was a disruption in my line. So I kind of lost the question midway. Can Kamlesh repeat the question, please, for me.

Kamlesh Jain: Yes, sure, Sir. So if I go through your presentation, like say, the presentation Q4 FY '25, there has not been much of the, let's say, move ahead on various distribute of your project. So how confident are we on these projects, given the fact that we are so much near to the product deadlines, or the timelines which we have guided. And there has been no needle movement or a significant change in the project scope.

So how confident are we on these timelines of the project because Q1 FY '25 for this slurry pipeline and given the fact that the elections are there, and this rainy period is going to start and our ground or the channel set suggest on that, that around 40% to 45% of the work on this slurry pipeline is still pending. And even on the blast furnace side, there are also not much significant changes there on plant work part or level of work which has happened over there?

Sabyasachi B.: So Kamlesh, other than anything which is beyond our control, meaning with administration or authorities anything that is pending, other than whatever is within our control, we are extremely confident of delivering it on time. In fact, the team has been doing a fantastic job, and we are fairly confident about our deliverables. As far as projects are concerned, as far as the timeline that we have indicated, that indicated timeline, we are extremely confident of. That's all I can say at this point of time. Vishal or Sunil Ji, if you want to add any color to it, please go ahead.

Vishal Chandak: I think, Kamlesh just one more thing. Electrical is always the last which comes up. So you will always find electrical as the last thing that is part of the commissioning process. You cannot have electrical done before the civil. So that's how we have also arranged the entire presentation. So I think we are on track to deliver what we have guided so far. Slurry pipeline we just mentioned at the beginning in the opening remarks also as to a small patch where we are negotiating how we can get over things. But barring that, we are primarily on track.

Moderator: The next question is from the line of Parthiv Jhonsa from Anand Rathi.

Parthiv Jhonsa: So just have a very basic question, considering recently all the steel prices, especially for the longs have been going up, how do you perceive the next 2 quarters to pan out?

Sunil Agrawal: So next 2 quarters, nobody can explain as how the market will move. But we are right now, we are seeing the upward in the prices. So that's all we can say that we are expecting good price from here.

Parthiv Jhonsa: Sir, is it possible to quantify any kind of movement, what you're seeing currently?

Vishal Chandak: So Parthiv, we have mentioned that we have taken about INR 1,000 price hike, further price hikes would be subject to how the market behaves going forward. So as you know, it's very, very difficult to take a call on the price hike sitting over here at this point in time over the next 2 quarters. But yes, as we move in further, the most important point is that we are replacing a large part of our semi with HSM. So anyway, you see that getting reflected in our improved NSR and EBITDA as well. So price hikes, yes that would be guided by how the market behaves and how Chinese prices are moving up and down.

Sabyasachi B.: Vishal, if I may just quickly add a point, is that, Parthiv, one of the aspects that we are focusing on and need to be cognizant about is how we are moving with our product line. What we are doing with our value engineering and what segments we are moving into. So as Vishal rightly put it, that we are converting a lot of our semis into much more value-added finished goods. And so there will be an uptick in overall realization versus what we were getting. And hence, that bottom line improvement will happen. It's not only through volume, but also through value engineering and value-added grade addition into our basket.

Moderator: The next follow-up question is from the line of Ritesh Shah from Investec.

Ritesh Shah: Sir, my question is pertaining to power assets. I think we have 135 x 10 and another 250 to 270 megawatts of total power capacity. Just trying to understand what was the utilization levels in Q4 and if at all there was any external power sales? And if you could also help on the state of Monnet facility.

Sabyasachi B.: So Vishal, yes, go ahead, Sunil Ji.

Sunil Agrawal: No doubt, we are selling merchant power from our DCPP, basically Raigarh plant and quantity, we can't explain, but we are selling in the market.

Vishal Chandak: So these are very, very small merchant power sales that we have, Ritesh. There is no big quantum of merchant power that we have sold. Like any other steel company as you operate your SMS and blast furnace in tandem, occasionally, you kind of have surplus power and then you're drawing on the SMS, you have a deficit power.

So between these 2 swings, you tend to have some surplus as any steel plant would have, and that is has been sold as a part of regular business. Going forward, once we have our ACPP up and running, ACPP-2, then we will see how do we deal with it because at that point, we might have some surplus. We will come to that point once the ACPP-2 is operational.

Ritesh Shah: What are the timelines we are looking at over here? And what are the variables that we look at whether to sell surplus or basically take down the older utilities?

Vishal Chandak: The timelines, we have already put in our presentation, and that's where we want to stick on to. So there's no change over there.

Ritesh Shah: And what are the variables because earlier we had indicated from an ESG angle of the station heat rate and lower fuel consumption. That was the reason why we were going ahead with ACPP-2. Do we still stand by the same? Or is there any change in thought process?

Vishal Chandak: So Ritesh, the thought process remains the same. See, what is the idea of getting ACPP-2? The whole idea is basically that this will be a lot more cost efficient for us, okay. In the case if we have a surplus power in the intervening period, then we will look at how to address the situation. So in the past, if you go through it, we have explained various options, so we would want to evaluate as we go closer to the commissioning period of our ACPP-2. Yes, ACPP-2, the heat rate is significantly lower than the existing boilers. And being a pit head coal plant, it helps reduce our costs further.

Ritesh Shah: Sorry, just to continue, so what will be the extent of surplus that we are looking at? Is it like 3 units, 4 units of 135 megawatt. How should we understand that?

Sunil Agrawal: So basically, that will depend on when we will commission the first unit of the Monnet power. Thereafter, we will strategize and update you on that.

Ritesh Shah: Sir, but from a mass balance standpoint, there should be a broad indication, right, once we go to 13 million tonnes, 14 million tonnes, there would be some quantum of surplus power, which would be there and probably you might look to dismantle the plant or you might look to sell out that particular asset? I'm trying to understand that as well.

Sunil Agrawal: No, no, we are not planning to dismantle the assets. So any capacity that will have, depending on the market conditions, certainly, we'll update you on that and we'll sell the power or self-consume, we will update on that. Right now, we don't have any plans to dismantle the units.

Ritesh Shah: Okay. And just a continuation of my prior question. I think in one of the remarks, the management did indicate that they are looking at higher supplies from RINL. There was some emphasis on the word higher. I'm just trying to understand this and specifically in the context that I think RINL is only running one of the furnaces right now. And that also is in a bit of a problematic stage given some port-related strikes. How are we looking at approaching this particular scenario?

Sunil Agrawal: So this is a temporary phenomenon. So they have some strike and they have shut down. So that's why we are expecting to resolve that issue. And once they commission the plant, certainly they will supply to our commitment.

Ritesh Shah: Right. Sir, can you possibly give some numbers?

Moderator: Mr. Shah, may we request you return to the question queue for any follow-ups. The next question is from the line of Ashish Jain from Macquarie.

Ashish Jain: Yes, Sir, I just had 1 book-keeping question. What is the total volume of semis we have sold in '24?

Sabyasachi B.: Sunil Ji, you have that number handy?

Sunil Agrawal: Yes, it is there. This is 1.4 million tonnes around we have sold semis.

Ashish Jain: Okay. So this will go to 0 in FY'25, given we are hoping to operate HSM at more than 50%.

Sunil Agrawal: We'll be converting to HSM, yes.

Sabyasachi B.: So Sunil Ji, so if rounds is not considered semis, then it's good. So we should clarify that portion because rounds is a special product that we sell by design.

Sunil Agrawal: Actually, round is considered in semis. So certainly, that will depend on the market conditions, whether we'll produce round or HSM, but round is a part of semis.

Ashish Jain: Yes. So that's a part of this 1.4 million tonnes, right?

Sunil Agrawal: Yes, yes.

Ashish Jain: Yes. Got it.

Vishal Chandak: We continue to sell rounds in the market because that fetches us a decent amount of EBITDA.

Sabyasachi B.: That's a premium product. That's a premium product for a reference, a very niche product for us, and we selectively sell that based on the returns.

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

Vishal Chandak: Saby Sir, over to you for the closing remarks.

Sabyasachi B.: Good evening, once again, ladies and gentlemen, and thanks to Vishal and Sunilji and as well as the operators and the coordinators from JM Financial. It has been a pleasure to have you on the call. I think we have, as an organization, have delivered our performance, and we will continue to be living up to the expectations of the market and our stakeholders. We are very focused and the team is geared up to deliver the expansion plans as well as the production targets alongside. So once again, we look forward to having you very soon, and thank you very much. Have an excellent evening. Bye.

Moderator: Thank you. On behalf of JM Financial, that concludes this conference. Thank you for joining us. You may now disconnect your lines.