

October 30, 2026

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Dear Sir / Madam,

SUBJECT: TRANSCRIPT OF EARNINGS CONFERENCE CALL HELD ON OCTOBER 23, 2026

This is in furtherance to our letter dated October 19, 2026, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Earnings Conference Call is enclosed herewith and has also been uploaded on the website of the Company at www.jindalsteel.in.

You are requested to take the above information on record.

Thanking you.

Yours faithfully,
For **Jindal Steel Limited**
(formerly known as Jindal Steel & Power Limited)

DAMODAR MITTAL
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Date: 2026.10.30
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Damodar Mittal
Whole-time Director

Encl.: as above

Jindal Steel Limited (Formerly Known as Jindal Steel & Power Limited)

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CIN No.: L27105HR1979PLC009913



**“Jindal Steel Limited
Q2FY27 Earnings Conference Call”
October 23, 2026**



MANAGEMENT: **MR. VIDYA RATAN SHARMA – MANAGING DIRECTOR**
MR. RAJIV KUMAR – CHIEF OPERATING OFFICER
MR. SANDEEP MODI – CHIEF FINANCIAL OFFICER
MR. DAMODAR MITTAL – WHOLE-TIME DIRECTOR
MR. DEBOJYOTI ROY – WHOLE-TIME DIRECTOR
MS. ROOPALI MEHRA – HEAD SALES AND MARKETING
MR. VISHAL CHANDAK – HEAD INVESTOR RELATIONS

MODERATOR: **MR. VIKASH SINGH – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Steel Q2FY27 Earnings Conference Call hosted by ICICI Securities 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh. Thank you, and over to you, sir.

Vikash Singh: Thank you, Anam. A warm welcome to everybody. Good evening. We would like to thank the management to give us the opportunity to host them.

Without taking any much time, I'll hand over to Vishal for the management introduction and opening the call. Over to you, Vishal.

Vishal Chandak: Thank you very much, Vikash. Ladies and gentlemen, a very good afternoon. Thank you very much for joining us to discuss the Q2FY27 earnings release of Jindal Steel. Joining us on today's call are members of our senior management team, Mr. V.R. Sharma, Managing Director; Mr. Rajiv Kumar, Chief Operating Officer; Mr. Sandeep Modi, CFO; Mr. Damodar Mittal, Whole-Time Director; Mr. Debojyoti Roy, Executive Director, Raigarh; and Ms. Roopali Mehra, Head of Sales and Marketing.

I will now hand over the floor to Mr. V.R. Sharma for his opening remarks. Over to you, sir.

V.R. Sharma: Good afternoon, ladies and gentlemen, my friends, the well-wishers of our company, the media persons. I'm delighted to invite you on today's interaction. It's not only an investor meet or investors discussion, this is a 2-way exchange. We will be happy to take your questions after this particular session.

The company has done wonderfully well in last quarter. We have done a record sales in the history of this company in any quarter in the last so many years. That is INR 19,448 crores. So, I think we are now on a path to reach to INR 1 lakh crores per year of sales. This is what our aim is. The INR 19,448 crores, if we multiply by 4 quarters, which should be INR 80,000 crores, but our aim is to reach to INR 1 lakh crores as early as possible.

The steel sales are up by 27% Y-o-Y. EBITDA is up by 34% Y-o-Y despite of very bad weather in Odisha, a lot of rains were there. The iron ore mines were full of water. We could manage a fairly good production. And we are now going to ramp up further. Our aim is to reach to about 11-million-ton production in this financial year as targeted earlier.

We have reached to a level of about 4.79 million tons in H1. And the next, that is H2, we are aiming for 6 million tons. So, this is net steel, the gross steel may be about 11 million tons. The company is doing very well in terms of availability of the raw material, whether it is coking coal or it is iron ore or availability of pellets through our internal resources or other consumables.

We have seen in last 3 months' time, very topsy-turvy situation, where we found that there was a shortage of natural gas in the country and there was a shortage of propane. And this was difficult time basically because of this Hormuz issue or the Iran and U.S. war. So fortunately, we are having the coal gasification plant.

And we switched over to coal gas, that is, syngas for many of the reheating furnaces, galvanizing lines, color-coating lines, and there was no impact on our productivity, production and profitability. And still, we are continuing. We are not using propane or natural gas. We are using our coal gas, that is, coal syngas or you can say the gas through coal gasification route.

Our DRI plant has also done well, and this is based on coal gas. That is, again, we call it, syngas. We have 2 blast furnaces in Angul and 2 blast furnaces in Raigarh. So, all 4 blast furnaces, they are doing well now. The new blast furnace, which we installed last year, which has reached to a level of about 10,000 tons per day, which is in Angul.

Hopefully, we will ramp it up in this particular month, say, today is 23rd, so I think in 7 days' time, we should reach to about 10,500 tons per day. And in November, we are aiming for 11,000 tons and then December 12,000 tons per day. Availability of iron ore from OMC and NMDC is seamless. There is no problem.

The problems related to land slide from NMDC route to Angul route, those are over now. Railway is working. And the water from mines is already receded. So now the operations at OMC, all 8 mines, they are working very well. So, our own mine, Kasia mines that also is being ramped up, and we are sourcing material from our own mines also.

We have 2 pellet plants in Barbil, both are running well. And the pellet plant in Angul is also running well. So by and large, I would say that the company is in a very, very solid state, and we'll be making a record production in the Q3, which will be ending on December 2026.

Q4, we are further looking very positive, and we feel that we'll be surpassing the records what we are going to make in Q3. I think Q4 will be much better. As far as the market is concerned, the market is supporting very well, though the input costs have gone up, but we could recover the entire input costs, and we could make some positive impact in NSR while we compare on the input costs.

So, the steel scenario is very good. I think it is now around 10% Y-o-Y basis, there's a growth. Though our production has gone up by 20%. The industry overall growth is about 10%. So, we are aiming that we'll continue making such performance in other 2 quarters also, that is Q3 and Q4.

The exports are also picking up. We are doing about 100,000 tons of export every month, mainly hot-rolled coils, plates and some quantity in rails and the structures. We are hopeful the honourable Commerce Minister, Mr. Piyush Goyal, is already in Germany.

And I think he is negotiating with EU on the basis of the mother of all deals, what we signed is FTA. So, I'm sure he is taking up with the government, European EU Parliament, how to give us the most favoured steel suppliers status.

So hopefully, this will be done. We are very sure. And government is trying its best to utilize the FTAs in the interest of Indian engineering industry, Indian steel industry, Indian aluminium industry and also for Indian garments and other industries.

So, we are seeing a very positive impact from U.K. And the moment the quota system by EU is relaxed for India, which we are very much hopeful, and Government of India is trying its best then there will be another door opening to sell more and more steel to Europe.

There's a steel deficit of about 28 million tons in Europe. And I think India stands the first chance to supply the right and good quality of steel to Europe. CBAM is an issue today. But overnight, the CBAM cannot be diluted. I think EU Parliament and Government of India will find some solution how to meet out the demand of the local people there in Europe.

So, on the international steel scenario, the outlook is very positive. The demand in the country is very good. I'm also pleased to inform you that 192-kilometer-long slurry pipeline is already commissioned. The commercial supplies from Barbil to Angul will be starting, I think, in next 2-3 days' time.

All trials are done. The first batch of iron slurry has been dispatched and well received. So tomorrow, again, we are going to restart. And hereafter, this will be continuous operation without any stoppage.

We are now aiming to increase our overall product mix towards flat products. Though today also, we are at a level of about 60%-40%. Now we'll be reaching somewhere about 65%-35%, 65% flat products, including plates and 35% will be long products. So, this is what we are aiming for.

Now I'll request my other colleagues, they will speak with you, and they will give the numbers, what we have already declared. Many of you must have seen that the results are declared and already displayed to the media. Thank you very much.

Sandeep Modi:

Good afternoon everyone, myself Sandeep. Let me take you through Jindal Steel's consolidated financial performance for the Q2FY27. We have delivered our highest ever quarterly gross revenue of INR 19,448 crores, up 44% Y-o-Y, while net revenue increased 43% Y-o-Y to record INR 16,704 crores.

This was driven by the record Q2 sales volume, as Mr. Sharma said, of 2.38 million tons and higher average selling prices, supported by a higher share of flats and a lower proportion of TMT within the long products.

Domestic sales accounted for approximately 92% of total volume. Our adjusted EBITDA stood at INR 2,504 crores, up 34% Y-o-Y, while adjusted EBITDA per ton increased 5% Y-o-Y to INR 10,529 per ton. The sequential moderation in EBITDA was primarily due to higher raw material and operating costs, notwithstanding the positive impact of higher volume and improved sales mix.

Coming to the cost part, coking coal was a key cost impact, and it was within the guidance what we have given in the last call for \$12 to \$15 per ton. Power and fuel, as well as freight expenses, especially ocean freight, also increased sequentially. This impact was partly offset by better ASP.

Our consolidated profit after tax was INR 771 crores compared with INR 844 crores in the preceding quarter. Our balance sheet strengthened during the quarter. Our consolidated net debt declined by INR 1,141 crores from INR 15,927 crores at the end of June to INR 14,786 crores as at September end.

Net debt-to-EBITDA ratio improved from 1.71x to 1.51x. Cash and cash equivalents stood at INR 7,237 crores, providing substantial liquidity as we execute our growth program. Capex during Q2FY27 was INR 1,228 crores and in the whole H1 was INR 3,187 crores.

We remain continue to disciplined capital allocation with investment directed towards our steel and supporting infrastructure businesses and a focus on returns as the newly commissioned facilities ramp up. Our stated framework envisages annual growth capex of approximately INR 7,500 crores to INR 10,000 crores, primarily funded through internal accruals, while seeking to maintain net debt to EBITDA below 1.5x through the cycle.

For the second half, our priorities are clear: stabilize and ramp up the expanded facilities, improve product mix, cost competitiveness, working capital management and maintain balance sheet discipline.

With that, we can open the floor for questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Akhilesh from Emkay Global.

Akhilesh: So, my first question is on the production. So, we have achieved already 4.8 million tons in the first half. And now our run rate becomes quite steep of requiring 3 million tons for the second half per quarter, right? So how confident are we kind of achieving this guidance? And also, now since our flat mix has also increased during this quarter, do we see it maintaining in the coming quarters and achieve 70-30 mix in FY28?

V.R. Sharma: So, we are quite confident that we'll be in a position to achieve these 3 million tons per quarter. So that means 1 million ton per month. To be very precise, the production planning is 0.96 million tons, that is, 960,000 tons per month.

As far as the mix is concerned, yes, you are right. We are aiming for 65-35, 65% will be the flat products, which includes plates also and 35% will be long products. The reason being for this particular shift from, say, 50-50 ratio or 55-45 to 60-40 or maybe 65-35 is that there is a better value addition, especially in plates. So, plates are doing extremely well.

And today, we are undisputed leader in plates, selling plates to the country. We produce more than 220,000 tons plates per month in both locations. And thanks to Government of India's spending on defence and also on the merchant vessels and merchant shipbuilding. So, this is a good sign. The market for windmills is still very hot in India and also outside India.

So, we'll continue making more and more plates and supported by more and more hot-rolled coils. So, the hot-rolled coils also, we are aiming only for the value-added hot-rolled coils. We are not manufacturing vanilla products in hot strip mill.

And either these are high carbon steel or medium carbon steel or something which is a niche markets, but very highly remunerative products that we are manufacturing. So maybe not 70-30, but yes, we'll try to maintain 65-35 including plates.

Akhilesh:

Sir, my second question is now on this slurry pipeline. So now since it has been commissioned, do we see any benefit of to accrue in the remaining of FY27 as well or the benefit will start to come in from FY28 onwards only? And also, will there be any additional cost associated with the ramp-up, which could come as a surprise?

V.R. Sharma:

No, there is no additional cost because this is a pumping station basically, grinding and pumping station. So, all the grinding machines are in place, the pumping stations in place. The water arrangement, etc., everything is in place. We are getting water from government. There is no problem.

And this water, when we make slurry, we maintain slurry in a particular density that is specific gravity, 1.8 to 2 level and the water we recover at Angul. So, in a way, the water consumption in Angul that is reduced because this water, when it goes there in Angul, we filter it and we recycle it. We don't throw water outside because we have a zero liquid discharge policy.

Then your next question is the cost impact. Yes, there will be benefit out of it because the iron ore, which is being transported through trucks mainly, that will now be shifted through slurry pipeline. So today, we are receiving more than 700 trucks per day full of iron ore. They come from Barbil, Keonjhar area and they come to Angul.

So, of the 700 trucks, at least 500 trucks will be eliminated now. Only 200 trucks will come, which are geographically in the area, whether we take the iron ore to Barbil or we take the iron ore to Angul. So, the cost will be same. So, it is better to bring that iron ore to Angul in place of taking the iron ore to Barbil.

So Barbil grinding station is in place and Barbil pumping house is in place. Now we have to run it on a daily basis. Hopefully, from day after tomorrow, this will continue non-stop till infinite

time. There's no problem. And INR 700 per ton will be saving on freight and no additional expenses. So, no surprise.

Moderator: The next question is from the line of Amit Dixit from Goldman Sachs.

Amit Dixit: Congratulations for good performance. Sir, just wanted to get the update on captive coal mining. How much coal was mined this quarter? And what is the opening plan for the other 2 mines?

V.R. Sharma: Yes. So together in Raigarh and Angul, we have total coal mining capacity about 15 million tons. And Gare Palma in Raigarh is about 4 million tons, approximate number I'm giving you. And the other mines are in Utkal, that is near to the plant in Angul.

So today, we are meeting out our 50%, 55% of the requirement from our own mines, the captive mines. There was some delay or you can say there was some stoppage because of very heavy rains. I think from 10th of October onwards, everything is going very well.

So, we are aiming that we'll be reaching to a level of about 65% to 70% of the total requirement, we will be meeting all from our coal mines. And it also depends upon the cost. We are sometimes getting very good deals from Coal India and also Mahanadi Coalfields, and we try to avail that deal also.

And sometimes we need washed coal for our coal gasification plant if our washery is not doing well or if we need more washed coal. So that also we buy from outside. But by and large, everything is going very well. There is no problem.

We'll be meeting out our entire requirement in the next year from our own coal mines and also depends upon the costing. If the cost advantages are there to buy something from outside that we'll be blending and we'll be buying from outside.

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

Parthiv Jhonsa: Just continuing to the previous participant's question on captive mining. What is the current iron ore across especially the Roida and, say, Kasia, what is the current quantum what we are getting?

V.R. Sharma: Kasia, I'll tell you first, Kasia, we are taking out 22,000 tons per day today, and we are going to bring it to a level of 30,000 tons per day. Kasia is very rich in minerals in terms of Fe content. So, we use this as a sweetener. Roida, at the moment is not working because one right-of-way we have to obtain from Forest Department. And this will take a couple of months' time because there was no road available from mines to main highway.

So, we had 2 options, either to make a conveyor, flyover conveyor or a road. So then finally, the government has taken our request that, yes, you can make a road. But this needs some tree transplantation, felling the trees and then equivalent amount of land, whatever we are going to utilize that land we have to take for afforestation.

So, this will be done soon. Soon means, say, by January, we'll be in a position to do it. And then Roida will be in operation fully. It was in operation, but this was suspended because the right-of-way was not available. And these are the formalities as per the Government of India, we are working. I'm sure by December end or January, we will be in a position to obtain it.

And rest of the iron ore requirement, we are meeting out through OMC and NMDC. OMC, we have 13.5 million tons of long-term agreement. And they are supporting us, though there were problems in the last month, especially last 2 months and during the monsoon season because most of their mines were full of water.

And NMDC, there was a stoppage because of landslide on a railway track. This took about 27 days to clear and to relay the railway line. So now it is working well. So, no problem. So, this quarter, another 2 months will be superbly good. So, no shortage.

I hope I answered. Kasia, 20,000 tons per day, and we are going to ramp it up to 30,000 tons per day. If there is a shortage, we can do it 50,000 tons per day also. But we are meeting our requirements though OMC and NMDC also, they are supporting us.

Parthiv Jhonsa:

Thank you so much, that was actually quite elaborated, sir. My second question is pertaining to Angul. Now we believe that you draw water from Brahmani River as per your EC documents, right? And the current sanction, what we have is about 59.1 billion litres on an annualized basis. Though you have applied for about 140 plus, but today, it is at 59.1. Now considering Brahmani's water reservoir level is quite short. It's about 12.5% below its normative level.

And now when you have given that Q3 and Q4, you'll be doing like a record volume, wouldn't this water be a challenge because you require water across each and every step, right? Even if you consider whatever water you used last year, just multiply that, it's about 11% of recycling water you have done, even after considering and putting everything, there would some sensitivity to the volumes in my understanding?

V.R. Sharma:

Thank you for the concern, and thanks you have done a very good study. So, first of all, I'll tell you, we do not need 59 MLD now. We are using only 31 MLD, which is sufficient. And in next year, we'll be using at least 15% less. Why? Because we are pumping water from Barbil. So, this water will be surplus.

So, in a way, we are helping other people to utilize more and more water from the same dam where from we are connected at. So, there is no issue. So, water is not in short supply because of these 2 reasons. And God had been very kind. We had very good rains. All of the dams in the vicinity, they are full, and there is no problem. And I'm sure the government is taking care of it. So, no shortage of water.

Moderator:

The next question is from the line of Pinakin from HSBC.

Pinakin:

So, my first question is on costs. Now there are a lot of moving parts in terms of coking coal, multiple projects coming on stream in the second half. So, at this point of time, what is the cost

guidance for the second half, if you can break it up into coking coal and benefits from the multiple growth projects that are coming on stream?

V.R. Sharma:

Thank you very much. Cost is always an area of concern. And each management or manufacturing division, they always want to reduce the cost. So, first of all, the point here is the coking coal, I will tell you. Yes, the coking coal in the last quarter, we had an impact of about \$12 to \$14 and now for the last couple of days, the coking coal is very stable.

We are not expecting too much of a variation. Even if it comes, maybe some \$10, \$15 that you can absorb, no issue. Availability is not at all a problem. Then we are also having our coal mines, coking coal mines in Mozambique. So, the Mozambique mine of ours is doing very well, and we are getting 2 vessels every month without fail.

So that is supporting us. Another opening, which I feel is likely to come, that is Russia. So hopefully, now the time has come that this war will stop, and Black Sea operations will be regular. The moment the Black Sea operations will be regular, then I think Indian steel industry will not have shortage of coal.

So already, Indian steel industry has reduced its Australia exposure from 75%-78% to about only 50% today. And the Indian industry has shifted towards Mozambique, South Africa, Colombia, Venezuela and also America and Canada. And now the new coal power country is Russia. They are not new, but new after 4.5 years or 5 years.

So, the moment this war stops, the war ends, then everybody will be comfortable. And I'm sure if this is done in next 1 or 2 months' time and they sign a treaty protocol that they will not attack on the vessels, then I think coking coal prices may come down in December and January. So, I hope I answered your question.

Pinakin:

What are the benefits that if you can quantify from the various growth projects that the company is bringing on stream like the slurry pipeline and ramp-up of the other mines?

V.R. Sharma:

You see, as I told you, the slurry pipeline is going to give us INR 700 per ton on 20,000 tons per day. So, this is a direct impact. So, this will be a net profit, and this will definitely recover our cost. So, the ROI will be very fast. This is a big benefit. And over and above this particular financial benefit, the other benefit is for the public because all the 700 trucks coming to plant every day.

So, in pipeline, there are 2,000 trucks. So, 700 trucks in our company, 700 to 1,000 trucks, they are in the road, another 700 or 600 trucks are for loading. So, the 2,000 trucks will be off the road.

So, you know the accidents and the fuel consumption, the diesel consumption, the pollution, air pollution, sound pollution, you can say. So, this will help reduce the associated social cost. Government of India is also supporting these particular projects for these reasons.

Now the other area is most of the railway rakes today as per the directives or as per the requirement of power plants, they are engaged in transporting coal from coal belts to a different part of the country. So that the power availability in the country is stable, and there is no increase in the power tariff because the whole world today is struggling on power tariffs.

Like, for example, the electricity cost in Europe today for a domestic user, household user or industrial user, which is ranging from Indian INR 12 to INR 15 or sometimes INR 18 per kilowatt hour per unit. Whereas if Government of India has maintained the overall price level for the domestic users or the commercial institutions to a level of less than INR 8 and maximum maybe INR 10. And there is an upper cap also.

So, I think it's a good cost. So, more and more coal going to power plants means more and more industrial growth and more and more, I would say, helpful to obtain a better life. So, we are a very small part of that, that we are trying to reduce the diesel consumption, and we are also trying to make railway rakes spare so that government can utilize these railway rakes, basically to transport coal to different destinations in the country. Thank you.

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

Amit Murarka: So firstly, on the cost inflation, I think in the last quarter, you had spelled out about INR 2,000 a ton cost inflation due to West Asia conflict. Sorry, I think it was INR 1,200, INR 1,300 per ton. So, could you kind of give the same number for Q2?

Sandeep Modi: So, Sandeep here, for the coking coal prices, we expect an increase of \$20 to \$25 per ton.

V.R. Sharma: Please ask your question again.

Amit Murarka: No. So, in the previous Q1 call, you had mentioned that due to the West Asia conflict, there was a cost inflation of \$12 to \$13 a ton, which is INR 1,200 a ton. Could you give us a number for this quarter?

V.R. Sharma: Mr. Sandeep, is replying to you.

Sandeep Modi: So, I will give you the last quarter where we said \$12. This quarter, we are saying \$20 per ton, which we expect an impact on account of the diesel.

Amit Murarka: Sure. And this is beyond the coking coal inflation, right, just to be sure.

Sandeep Modi: No, coking coal, I said \$20 to \$25. And for the West Asia conflict, which I think you are reflecting more on the diesel and other part, we did not give INR 1,200, INR 1,300. We said around \$4 to \$5, and that continued to be around \$4 to \$5 per ton.

V.R. Sharma: Yes. So basically, what Sandeep is telling, from West Asia, what we are bringing, we are bringing fuel only, either crude or maybe LPG or propane, okay? That impact was a little less for us because we continued working through coal gasification. Yes, the coking coal, there is no control on that. So that was a loss basically or input costs have increased.

Now it all depends upon the geopolitical situation. If we feel that United States, they ease out the supply of crude from Iran and also from Russia, then I think the oil prices may come down. If oil prices come down, then industry as a whole will get benefit.

But just for the factor of safety, we are considering that maybe if this prolongs and there's no decision taken by superpowers, the 2 superpowers, I will say, to end this war and to relax the sanctions on Iran and/or on Russia, then there may be an impact of another \$20 in times to come.

But let us see because overnight situation changes. The moment we know that the war is going to end, then I think the availability of oil and the gas will ease out. Next question please.

Amit Murarka: And the coking coal \$20 is for Q3, the jump that you're talking about.

V.R. Sharma: Yes, Q3.

Amit Murarka: Okay. Sure. And the INR 700 per ton from the slurry pipeline, by when will it get fully realized?

V.R. Sharma: From tomorrow? Because tomorrow, we are going to start the commercial production.

Amit Murarka: So, you mean the full volume will start flowing immediately?

V.R. Sharma: Yes, I told you 20,000 tons per day we'll bring. So, 20,000 tons, INR 700 we will be saving per day.

Moderator: The next question is from the line of Darshan Mehta from Dolat Capital.

Darshan Mehta: Sir, just wanted to understand whether we would have seen any cost benefit this quarter because of moving from propane to coal gasifier.

V.R. Sharma: I'll tell you. Right question. Yes. Have you completed the question or yet to be?

Darshan Mehta: Yes. I have other questions, but you can give answer to this question, sir.

V.R. Sharma: Yes. You see the propane prices have gone up to a level of about INR 100 per kilo. And equivalent when we make coal gas, that is called syngas, then equivalent, we were getting in INR 30 a kilo. So that advantage was INR 70 a kilo. And that is for the reheating furnaces, especially for the downstream industry, we have the cold-rolling mills, galvanizing lines, color-coating lines. So, these lines, they got benefit out of it.

Darshan Mehta: Okay. Okay. And in terms of steel sales, I mean, on a per ton basis, can you quantify this? Will it be possible for you?

V.R. Sharma: No, no, no. It will be very difficult because the balance sheet is consolidated. It is on balance sheet. So very difficult. But I told you that whatever consumption we were doing, so we are getting an advantage of INR 70 per kg.

- Darshan Mehta:** Okay. But at some point, you will again move to propane. Well, let's say, things normalize, you would again like to move to propane being a cleaner fuel. Is the understanding correct?
- V.R. Sharma:** No, we will not move to now propane. We have taken the taste of a better chocolate, so we'll not leave it. So, we will continue because we have done all those changes. It is not one-to-one replacement that we switch on, switch off. We have done all those changes in our burner system, automation system so that we can accommodate the coal gas, or you can say, syngas.
- So now again, going back on propane, then it will take shutdown and then we have to incur cost and then why to use the heavy price fuel. And all these fossil fuels like propane, LPG, these will always be or natural gas, always be imported in the country. I think the country's domestic users, they need it more than what we need it today.
- Moderator:** The next question is from the line of Rajesh Majumdar from 360 ONE Capital.
- Rajesh Majumdar:** Sir, I just wanted to know a couple of things. One is what is the proportion of TMT bar you've sold in the quarter? What is the drop in the realization thereof? And what is the impact on the pricing change in the last 1 month in TMT bars? That was the first question.
- V.R. Sharma:** Yes. So, first question, let me reply. So historically, we were doing about 20% of our total production. We were selling through TMT route. So, TMT was not doing very good in last quarter. So, we increased the volume of hot-rolled coil and reduced the volume of TMT. So, TMT now we are selling only to the major projects.
- And we are not selling for the retail market in that proportion that we used to do it. So, I would say that now we are making only 120,000 tons per month of TMT. And earlier, we were making 220,000 tons. So, 100,000 tons TMT, whatever the steel was going to be utilized for TMT, that we are now utilizing in flat products, that is for plates as well as for hot-rolled coils. So, what was your next question, sorry?
- Rajesh Majumdar:** So, my second question was, sir, since your ASP has generally been unchanged largely due to the higher share of flats, the last month increase in realizations we have seen mostly in the rebar side will not impact significantly in the coming quarter or do you feel that this quarter on realizations can improve a little bit sequentially?
- V.R. Sharma:** Yes, we feel that quarter 3 and quarter 4 will be better. Historically, quarter 2 used to be very bad because of rainy season, constructions were at very low level. So, cement and steel, I mean, the rebars, they will always suffer in Q2. But now Q3 is very optimistic. It's a festival season, the building construction in the country going very well. We had seen and experienced very good rains. That means more and more construction steel will be utilized.
- And now the prices are also, I would say, if you compare construction steel, which is rebar and hot-rolled coil, so they are almost similar, maybe INR 1,000 here and there. There's not much of difference. So, I think Q3 and Q4 will be much better.

- Rajesh Majumdar:** In terms of EBITDA per ton because of cost savings and higher realisations?
- V.R. Sharma:** In terms of EBITDA per ton.
- Moderator:** The next question is from the line of Raashi from Citi.
- Raashi:** Just on the realizations, how did the flat realizations move in the last quarter? And how do the long realizations move?
- V.R. Sharma:** Raashi?
- Raashi:** Yes.
- V.R. Sharma:** Yes. So, there's a first question from a lady. And there will be first answer also from lady. So, our Chief of Marketing, Ms. Roopali will reply to you, please.
- Roopali Mehra:** Raashi, thanks for the question. So, in terms of TMT, while the realizations were down because of monsoon, as also our MD just mentioned that Q2 is typically not a good season for TMT sales because of lower construction. The prices in HRC had strengthened, but that strengthening had come towards the end of the quarter 2, which was primarily August and September.
- So, we would see better realization impact in the quarter 3. As far as TMT is concerned, as again, you just got to know that TMT prices also are now at a similar price level to HRC now, but the construction will pick up. And the overall change of TMT went from INR 52,000 to INR 59,000, and that of HRC went from INR 51,000 to INR 60,000. That was the kind of change that we saw in Q2.
- Raashi:** Would you be able to quantify the spot versus 2Q average for both?
- Roopali Mehra:** See in terms of the spot prices, today, we are doing spot of HRC and TMT around INR 60,000. That's the spot prices. HRC is a little over INR 60,000 and TMT has just reached there. But in terms of Q1, if you were to compare the spot prices in Q1 actually ranged in HRC for about INR 54,000 to INR 53,000, which is now towards September at INR59,000.
- And for TMT, the spot prices actually in the beginning of quarter 1 were around INR 56,000 and came down all the way to INR 45,000, now which is at around INR 60,000 this time.
- Raashi:** You meant quarter 2, right?
- Roopali Mehra:** Yes. Quarter 2 now.
- V.R. Sharma:** Any other question please.
- Moderator:** The next question is from the line of Manav Gogia from Aditya Birla Capital Limited.

- Manav Gogia:** First question is on the other expenses. If you take a look, there's a 13% quarter-on-quarter jump. Would it be possible for you to let me know what the major reasons were behind this? And how should one take a look at for the rest of the year?
- Sandeep Modi:** Manav, the other expenses include, just to give the background, we have coking coal and iron ore, which got classified under raw material. Other expenses by its nature look other expenditure. But if you see the total P&L, almost 30% is sitting in the other expenditure. Other expenses are largely comprised of your store, spares, repair maintenance, operations and maintenance, freight, selling expenditure, all these are there.
- And accordingly, as I said in my opening remarks as well, there has been increase in the freight expenditure, especially on the Middle East crisis and diesel increase and that is also one of the key buckets for the increase in my overall other expenditure.
- And O&M and repair and maintenance store, spares have been in line with my volume. And if you see the techno-economics remain in the quarter 2 on account of monsoon, a bit higher consumption, that has also impacted our other expenditure. I think it will get rationalized as we see the monsoon behind us in the Q3. So, it should not be as elevated as has been this quarter. It should be normalized in the subsequent quarters.
- Manav Gogia:** Understood. So basically, freight accounting for the majority of it, right?
- Sandeep Modi:** Yes. Power and fuel also, which has been the major bucket into that.
- Manav Gogia:** Got it. Sir, the other question is, would it be possible to give me what was the value-added mix for this quarter? I think the presentation doesn't mention it. Last quarter, we did 66%, if I'm not wrong.
- Sandeep Modi:** 57% was the value-added product mix during this quarter.
- V.R. Sharma:** I will tell you, you're also right and my colleague, Sandeep is also right, 57% because when we compare apple-to-apple. But when we moved from a low-priced TMT to high-priced other products, then it is more than 65%.
- Moderator:** The next question is from the line of Bhavin Chheda from Enam Holdings.
- Bhavin Chheda:** Sir, just a few questions. First, on what is the current pellet production run rate at the company. And do we sell any merchant pellets in the market? Because I think in the past, we used to give that data. But now since this data is not available, if you can highlight on that. And I believe there was one pellet plant also was supposed to get commissioned this fiscal. So, what's the status on that?
- V.R. Sharma:** Yes. Thank you. Your memory is correct. We used to sell a lot of pellets. But after having installed the blast furnace number 2, we are short of metallics now. So, we make about 18,000 to 20,000 tons in Barbil from 2 plants, and we make about 14,000 tons from our Angul plant. So, in a way, we are making about 33,000 tons pellets every day. And all these 33,000 pellets

are consumed in-house. There's no problem. So, we don't sell anything. Rather sometimes we buy pellets from market. So, it is the other way around.

So, like, for example, last month, since most of the iron ore mines were drenched into water, it was difficult to do the mining. So, we have bought pellets from the market. Then all the 3 plants are doing extremely well. So, we are making good quality of pellets, which is helping us in taking out good production.

And as far as the new pellet plant is concerned, yes, it is on the way. On the way means it has come up. Hopefully, by June next year, this will be fully commissioned. So, by March, we will be doing the complete installation. And maybe end of March or early April, we'll start our trials. And June, it should be in commercial production. Hope everything is answered.

Bhavin Chheda: Okay. Just one more, if I can go about it.

Sandeep Modi: Please go ahead.

Bhavin Chheda: Yes. My second question was on the difference between the consolidated results and the stand-alone results, both on the turnover and the EBITDA, the consol was much higher than the normal run rate what we see in the past quarters. So, what is the incremental on the turnover side as well as the EBITDA side in the consolidated numbers?

Sandeep Modi: So, you see we have a 100% subsidiary, Jindal Steel Odisha Limited (JSOL). And as the major of the projects got commissioned in the JSOL, their turnover and EBITDA both have been on an increasing trend. And you will see this difference getting increased as we go into the quarters because their EBITDA and volume both will keep increasing. At the same time, our overseas subsidiary in the Mozambique also had a better EBITDA compared to the last year Y-o-Y, given the better coal prices.

Moderator: The next question is from the line of Ashish Kejriwal from Nuvama Institutional Equities.

Ashish Kejriwal: Sir, 2 questions. One, is it possible to share what the blended price increase for us quarter-on-quarter? And how much power we have sold in this quarter? Because we have commissioned 1,050-megawatt power plant and though we have surplus power available. So, is it possible to quantify some numbers on power sale as well as a price increase in this one?

And secondly, in October, are we seeing a sales volume run rate of around 1 million tons because that is what is required to achieve our lower end of the sales volume guidance of something like 10.5 million tons?

Sandeep Modi: Ashish, I will answer the first question. I think whatever the information we give in the ASP, which can be given in the investor deck, we will continue to stick to it. And as far as the second question, I think you asked 3 questions. I'll answer about your power question.

Any steel plant will have the power capacity. And at the same time, when the steel production takes the shutdown, plant and other things, they will keep having the surplus power. So that surplus power will anyway get sold in the market.

But in the overall scheme of things of like almost INR 1 lakh crores of the revenue, which Sharma Ji said is going to be achieved and this is a miniscule number. So, I think that we should factor into. Second, at your run rate, which you are saying for achieving for the next quarter and the remaining part of the year for getting the lower end of the guidance, on the saleable basis, it should be 9 lakh tons to 9.5 lakh tons per month.

So, we should be able to achieve the guidance, and we are very, very sure and comfortable to achieve that guidance given the monsoon season and everything gone behind us, all the plants are fully ramped up.

Like Sharma always make you count for the day basis, and we have been answering on the day basis, and I'm still learning in the steel industry. On a day basis, yesterday also exceeded our near to the design capacity. So, I think it gives us the confidence that we should be in the midrange of the guidance.

V.R. Sharma: We can take few more questions if available. We are out of time, but we can take few more questions if it is there.

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

Sumangal: So, my first question is if you could update us with the status of the 2-million-ton DRI plant, which is expected to come, timeline. Utkal B2 mine, I think that is the last mine, which is yet to be commissioned. So where are the approvals and the timeline? And lastly, we got the answer of spot prices, which is around INR 60,000.

Just want to understand what is the average which we saw in 2Q because we shared the range of prices from starting to end of the quarter, but the average would help us to kind of understand how the spot is versus average?

V.R. Sharma: Yes. So DRI plant first. The DRI plant will be commissioned again in June 2027. This has already come up. So, there are certain equipment which are imported. So, because of the shipping issues and all these things. So, this may delay. But June, yes, we'll be in production. And the next question was?

Sandeep Modi: ASP, the overall NSR average versus the spot prices.

V.R. Sharma: The spot prices, though it's very difficult to tell because when we compare with the index in the country like Bigmint or Fastmarkets, so those are the numbers and all these people, they are reporting the numbers. So, telling exact price will be difficult on a public platform because it attracts something unethical practices because the market picks up those numbers and starts behaving accordingly.

So average, we have already given you that in the last 3 months' time, what we have done. HR from INR 51,000 to INR 60,000. The TMT was somewhere about, again, INR 52,000 to INR 60,000. The structure was ranging from INR 60,000 to INR 65,000. Rails were more than INR 70,000.

So, these are some approximate numbers, which on a public platform, we can share. Sorry, we cannot tell the exact numbers today. That will be against the policy of company and against the interest of our customers.

Sumangal: Sure. And what about the Utkal B2 coal mine?

V.R. Sharma: Procedure is going on. I cannot say the date because sometimes many things are in the hands of government. There are certain clearances what we have to obtain. I think it should come in this financial year.

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

Ritesh Shah: Sir, first is on external power sales. Would it be possible to quantify the number at the EBITDA level just to better appreciate our operating profits? That's one clarification. Second, Sharma Ji, if you can highlight something on DRI, the next phase, I would presume that there will be a CGP backed along with it.

Are we getting any specific linkages from the government? And there is a government scheme, I think, INR 37,500 crores. Is this project a part of it? If yes, what is the element of incentive or subsidy do we expect from the government?

V.R. Sharma: Okay. On power sale, our CFO will reply to you. But on the other point, CGP and DRI, yes, first of all, we are getting benefit from central government on this project. So, for the installation of DRI plant as well as coal-based DRI plant, coal gas based and as well as for coal gasification.

So, we are expanding our capacity, coal gasification. So, 3 more gasifiers, which is having capacity of 35,000 NM cube per hour each. That means 105,000 NM cube per hour that is being installed. And fortunately, this time, the gasification plant is being developed with over 95% indigenous components.

So, I would say it is all made in India project, nothing imported, barring some 5%, 7% of very, very critical components, which India does not manufacture. So, this is what we are aiming. And the gasifiers are being built in India. One of the gasifiers being built in our company itself, that is in Raipur Machinery Division. And other 2 gasifiers we are building in Godrej, Mumbai. So, this is what we are aiming to. And hopefully, these will be commissioned by June and the DRI also will be commissioned by June. On power sales, I request our CFO to reply.

Sandeep Modi: So, as I replied to Ashish as well, in case of any large steel company, there will be a power generation from the captive power plant and there will be an opportunity for selling in the market

depending upon the steel production, demand and the supply. However, these are on the INR 1 lakh crores kind of turnover company, it is a very, very miniscule number to be taken into.

Ritesh Shah: Sure, Sandeep. Sharma Ji, any update on linkage, if at all, from the government because I presume government is open encouraging gasifiers. So, will we be a beneficiary over there? And if not for this linkage, what is the plan for the gasifier.

V.R. Sharma: Yes, there's no problem. First of all, yes, you're right. Government is open to provide coal and with the exemption of 50% of royalty. So, this is one. And secondly, from our own mines also, we'll be in a position to feed the coal gasification. No problem.

Moderator: The next question is from the line of Pallav Agarwal from Antique Stock Broking.

Pallav Agarwal: So, this question, or more of a request for was on the annual report disclosures. So, I think we are not just giving one line for raw materials consumed. So, some of the other companies actually do give a more breakup of the iron ore, coking coal. So, it would be helpful for us if you could probably share that in the next annual report going ahead.

Sandeep Modi: Thanks for your suggestion. And you may connect offline with Vishal for getting the factual details. However, we take your point and we'll do a better, or more disclosures in case of any other annual report.

Pallav Agarwal: Sure. The reason I'm asking is because in the footnotes to the raw material consumed, the captive royalty, I mean, royalty premium amount is pretty significant. So just wanted to understand whether the benefits of lower captive coal, part of that is offset by higher auction premium or royalty premium that we pay. So, net-net, are we still better off with captive coal compared to external sources or is the difference not very material?

Sandeep Modi: So, I can give you the directionally answer. We are better off compared to that because in the earlier calls also we had mentioned 2% of the SMS cost level, we have a benefit on account of the captive coal mine. That is directionally I'm giving the ballpark number.

And at the same time, for the iron ore captive iron ore mines, I think there's a 2 way to look at it. One, you are looking at the financial impact number. Second is to have the backward integration and having the raw material security.

As Mr. Sharma was saying, when there was a heavy monsoon, heavy rainfalls and mudslides in case of other OMC mines, we were not able to get material. The Kasia, our own mines only help us to continue the production. And that's how you see during this quarter, Kasia consumption was 33% compared to last quarter, 25%.

But that has helped us to improve the overall steel production and earn better EBITDA, and we recorded the best ever quarterly revenue and second quarter best sales volume. So, I think that part has to be balanced rather than looking just on the per ton or financial number.

- Pallav Agarwal:** Sure. That point is very appreciated. And sir, lastly, if you could just give an idea what is the balance capex we already incurred a significant portion. So out of our total capex plan of about INR 47,000 crores, how much is now left?
- Sandeep Modi:** So, on the INR 47,000 crores of the capex number, we have around INR 8,000 crores to INR 9,000 crores available for the remaining plant like, DRI2 and other things to be completed and at the same time, some pending payments, which will be linked to the performance. But for this year, we continue to remain in the stated guidance of INR 7,500 crores to INR 10,000 crores. And during the H1, as I said, around INR 3,200 crores were spent.
- Moderator:** That was the last question for today. I now hand the conference over to the management for closing comments.
- V.R. Sharma:** So, thank you, ladies and gentlemen, and thank you to all the people, those who are attending this particular conference. So, we have tried our best to give the answers of each and every question, may not be 100%, maybe 90% or 92%. But in case there is any other question, you may reach to Vishal, and he can reply by mail because each and everything cannot be clarified over this call.
- But one thing which is missing, but you will see in our balance sheet that our Net debt-to-EBITDA ratio has now come down to 1.5x. So perhaps this is one of the best ratios in the industry today and people used to have somewhere 4:1, 3:1, 2.5:1. And last quarter, we were at a level of about 1.71x, now it is 1.5. So, this is a remarkable achievement.
- The company is today with the grace of God and the support of our employees, people and the support of our Board. So, we are today cash surplus, there is no issue. And again, I repeat, we are not in the race of putting millions of tons of plant overnight. We are still following the same philosophy, earn and invest.
- So, we don't want to invest money unless we reach to our 100% capacity utilization. And the moment we are near to 100% capacity utilization, then we will review within our management, whether we have to do something or not.
- Until that time, we want to maintain our health, and we want to continue as a responsible steel conglomerate or business house. The manpower is stable. There is no churning. The people from the middle management and upper middle management, those who are at a level about AGM, DGM, general managers, Assistant Vice President, they are being elevated to take the higher responsibilities. And there is very positive atmosphere in the organization.
- And fortunately, in last couple of months, there is no exodus from the organization, and the people are very much stable. But yes, of course, some people will always leave the organization, that is natural. And some new people will always come. But we have no issue on account of any manpower shortage. This is what I wanted to assure you.

And with the support of all of you, we are very much confident that in times to come, we'll do much better, and we may exceed to your expectations. So, thank you for your support always. Thank you.

Moderator:

Thank you, sir. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.