May 6, 2025

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 1, 2025

This is in furtherance to our letter dated April 25, 2025, 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.jindalsteel.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: 2025.05.06 23:02:12 +05'30'

Anoop Singh Juneja
Company Secretary

Encl.: as above

"Jindal Steel & Power
Q4 & FY25 Earnings Conference Call"
May 01, 2025

MANAGEMENT:	**MR. SABYASACHI BANDYOPADHYAY – WHOLE TIME DIRECTOR – JINDAL STEEL & POWER** **MR. PANKAJ MALHAN – CHIEF EXECUTIVE OFFICER, ANGUL FACILITIES – JINDAL STEEL & POWER** **MR. MAYANK GUPTA – CHIEF FINANCIAL OFFICER – JINDAL STEEL & POWER** **MR. SUSHIL KUMAR PRADHAN – CHIEF MARKETING OFFICER – JINDAL STEEL & POWER** **MR. VISHAL CHANDAK – IR HEAD – JINDAL STEEL & POWER**
MODERATOR:	**MR. ASHUTOSH SOMANI – JM FINANCIAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY25 Earnings Conference Call of Jindal Steel & Power Limited 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 touchtone phone.

I now hand the conference over to Mr. Ashutosh Somani from JM Financial. Thank you, and over to you, sir.

Ashutosh Somani: Thanks, operator, and welcome, everyone, to the call. I'll first thank Jindal Steel & Power for giving JM Financial the opportunity to host today's call. Without much ado, I'll hand over the call to Mr. Vishal Chandak, Head Investor Relations, Jindal Steel & Power, to introduce the management. Over to you, Vishal.

Vishal Chandak: Ashutosh, thank you very much. Thank you very much, operator. Good afternoon, ladies and gentlemen, and thank you very much for joining in for the Q4FY25 and full year briefing. We have the senior management of JSP today for the briefing. Starting with Mr. Sabyasachi, our Whole Time Director; Mr. Pankaj Malhan, our CEO, Angul business; our CFO, Mr. Mayank Gupta; and Chief Marketing Officer, Mr. Sushil Kumar Pradhan.

So, without much ado, I'll hand over the call to our CFO, sir, for his opening remarks. Over to you, sir.

Mayank Gupta: Good afternoon, ladies and gentlemen. I welcome you all to the Q4 and Full Year FY25 Earnings Briefing of JSP. India crude steel production grew 5% to 152 million tonnes in FY25, and demand grew by 12% also to 152 million tonnes. Chinese steel demand continues to weaken. As a result, exports from China continued at elevated levels, impacting prices globally. China's share of imports in India also remained high during the year. India remained a net import of steel in FY25 for second year in a row with 4.3 million tonnes of net imports.

Several countries, including Korea, Vietnam, U.S., etc. have imposed additional tariffs on Chinese steel imports to provide a level playing field to their domestic steel industry. Government of India has introduced a 12% safeguard duty for 200 days on select steel imports, aiming to maintain a level playing field amidst rising global inflows. This should help curb some inflows of cheap steel, but the duty is not good enough compared to other geographies.

During the quarter, the domestic HRC and TMT prices saw mixed movements with HRC prices rising marginally on a quarter-on-quarter basis, in anticipation of safeguard duty, which eventually was brought into effect on 21st April. TMT prices, however, corrected marginally after healthy rise during the third quarter.

Coming to our JSP highlights. JSP reported the highest production and sales in FY25. This was driven by record performance from various mills across both Angul as well as Raigarh plants. The company achieved capacity utilization of 85% during FY25 compared to 83% in the previous financial year, driven by operational improvements.

Let me start with key quarterly numbers. Production grew during Q4FY25, 6% quarter-on-quarter to 2.11 million tonnes due to higher capacity utilization, which increased from 83% in Q3 FY25 to 88% in Q4FY25.

Sales volume at 2.13 million tonnes was up 12% quarter-on-quarter, supported by higher production as well as inventory liquidation. Consolidated gross revenue grew 13% quarter-on-quarter to INR15,525 crores, largely driven by volume growth. We had guided for a savings of $10 per tonne for our Q4 coking coal consumption. Our actual cost for coal has reduced by $11 per ton. Iron ore has remained flattish sequentially.

During the quarter, there were one-offs of INR231 crores as well due to items which are not recurring in nature and are one-time as a result of detailed review of our balance sheet for past years. These includes provision taken for old GST input credits, which have not been realized, provision for aged operational advances and inventory cleanups for past several years, carbon credit purchase for Australia operations relating to past periods, balance related to deallocated mines from past as well as old insurance receivable from past not realizable.

Adjusted for the same, along with forex movement, the adjusted EBITDA for the quarter stood at INR2,482 crores. And adjusted EBITDA per tonne stood at INR11,651 per ton, which is marginally higher on a quarter-on-quarter basis. During the year, we also reviewed the value of our overseas assets and have taken an impairment of INR1,229 crores i.e., USD144 million primarily for the Australian assets, which is already under care and maintenance.

With this, we believe that the remaining value of the investment in Australian business is significantly lower than the value of our assets there. Adjusting for this exceptional write-off, our adjusted PAT stood at INR1,099 crores, which was up 16% on a quarter-on-quarter basis.

Coming to annual performance. We reported annual production and sales of 8.12 million tonnes and 7.97 million tonnes, respectively, which were up 2% and 4%, respectively. Consolidated gross revenues for the year stood up at INR58,044 crores, largely driven by volume growth and offset by a reduction in blended ASP by 4%. Consolidated adjusted EBITDA, adjusted for both forex and one-time write-offs discussed earlier, stood at INR9,570 crores. This translates to EBITDA per tonne of INR12,008 per ton.

The company implemented several initiatives to bring down the net working capital, by INR3,146 crores during the year and INR2,701 crores during Q4FY25. This has resulted in reduction in net debt to EBITDA sequentially from 1.40 last quarter to 1.26 this quarter despite spending INR2,312 crores on the capex during the quarter.

Total capex for FY25 was INR10,607 crores. Depreciation remained at INR2,768 crores. Again, as highlighted earlier, adjusting for the one-offs and exceptional expense, net of provision, our adjusted PAT stood at INR4,248 crores.

Update on mining, JSP has received mine opening permission for Utkal B1 mines. The mine has a total reserve of around 148 million tonnes with annual EC of 5.5 million tonnes. The bid premium for this mine was 15.25%. During the quarter, JSP won Saradhapur Jalatap East coal block in the 11th round of e-auction at a revenue sharing of 10%. This is a partially explored block.

Now coming to update on projects. The commissioning activity for the Angul blast furnace 2 have already begun with the lighting of gas stoves. We are on track to deliver the first hot metal from the BF2 in Q1FY26. Rest of the projects, including BOF2, slurry pipeline and the Shree Bhoomi Power Plant (SBPP) are progressing well as per the scheduled timelines.

Our total capex for the quarter stood at INR2,312 crores. With this, our total capex incurred in the current program, including the sustenance capex stood at INR25,924 crores. The total capex remaining under the current expansion program is INR21,119 crores.

Excluding the JV investments, which is the Paradip port investment on the port project, the balance outstanding capex is INR19,137 crores. During early April, JSP acquired Allied Strips Limited in an all-cash deal of INR217 crores. Allied Strips have a capacity of 0.54 million tonnes HRPO, as well as 0.3 million tonne of CRFH/CRCA. We are in the process of completing the integration modalities. The product profile here will ensure captive consumption of our HR coil from Angul and further value-add products.

Lastly, we are restarting our annual production and sales volume guidance. For FY26, we believe crude steel production would be in the range of 9 million to 10 million tonnes. The incremental production will be augmented by both the new BF at Angul as well as increased utilization of our existing capacity. We are looking to deliver additional 0.2 million to 0.3 million tonnes from our existing operations at Angul and balance 0.7 million to 1.6 million tonnes from new BF.

In terms of sales, we expect to deliver sales volumes in the range of 8.5 million to 9 million tonnes for FY26. Since we are restarting annual volume guidance, we would like to clarify that it has been conservative, and we, as a management team, are committed to exceeding the expectations.

On raw material, consumption cost for coking coal should be lower by $10 to $15 per tonne in the first quarter. Iron ore costs are likely to trend domestic steel prices. The domestic HRC and TMT prices are currently 4% to 5% higher compared to Q4 average. However, it's too early to comment about how Q1 will shape up.

In the end, we want to reiterate that we have taken feedback from investor community and improved our presentations to address key questions. We hope the investors and analysts will appreciate our sincere efforts for the same.

With this, I open the floor for Q&A.

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

Amit Dixit: First of all, great work on presentation. I mean quite a few data points illustrated over there. I have a couple of questions. The first one essentially is on the repetitive impairment diminution that we have been taking on Australian subsidiary. Now if I look at the utility of this Australian subsidiary, I mean, over the last 10 years, it has practically done nothing.

And it's like salami slicing every time that we take a little bit of diminution, still around INR5,000 odd crores of investment is left. So, I just wanted to understand the future of this. Will we ever get coal from here? It is under care and maintenance. What is the thought process on this subsidiary? Why don't we get out of it, I mean, once and for all, take whatever provision is required?

Mayank Gupta: Amit, thanks for the question. Look, as you rightly said, the Australian mines are under care and maintenance. We have done an annual valuation exercise by independent valuers. And hence, this new impairment has been recommended. The remaining value there is fully supported by underlying asset value, and we are carrying forward a value of approximately USD150 million right now. And for future, we are currently evaluating various options, and we will update the investor community at an appropriate time.

Amit Dixit: Sir, my point is that whenever we took any impairment, it was always fully supported by the assets, but that particular goalpost has been a moving one. So that's why I asked the question.

Mayank Gupta: Yes. Look, I think this is an annual exercise we do. And based on the current profile of the mine, based on an independent valuation study by a Big 4, it is the value which has been determined, and we have accordingly impaired the financials. There is still a value left, and we are carrying we believe, the carried value is lower than maybe the realizable value. And hence, we do not expect any further impairment in the books.

Amit Dixit: Okay. Fair enough, sir. And the second question is essentially on the working capital front. Now very impressive working capital unlocking that we have achieved, particularly in Q4, which normally is the quarter when we achieve this kind of working capital unlocking. Now just wanted to understand broadly the initiatives that we have taken, whether the impact of such initiatives would also be visible in the coming quarter or the year? And also, what is the current finished product inventory with us?

Mayank Gupta: So, look, most of these efforts taken are sustainable in nature. We have relooked at our inventory norms and have a refreshed review of all our assets and liabilities, which goes into working capital. Of course, given the nature of the business, as an example, during monsoons, you build up inventory. So those are seasonal adjustments. But on an overall long-term trend basis, this is kind of a permanent improvement into the working capital, number one.

Number two, your question on finished goods. We are currently carrying roughly an inventory of 200 kt of finished goods inventory in our financial books.

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

Kamlesh Bagmar: Sir, one question on the part of this, which is mentioned in the Note number 5 as well. So, this is related to disposal of unappropriated inventory of shares under that ESOP, 57 odd lakh shares. So, it is mentioned that you have got the approval from SEBI to dispose those shares by 31st May. So, are we sure that it will be disposed by 31st May or further extension is likely from SEBI?

Vishal Chandak: Kamlesh, this is Vishal here. So, we had applied for an extension, and we have been granted an extension. I would say the trust has to dispose these shares, and these would be as per the SEBI guidelines. We'll do that.

Kamlesh Bagmar: So that would be in this month?

Vishal Chandak: The timeline is still May. It will be done as per the timeline.

Kamlesh Bagmar: Okay. And lastly, like on the, a lot of appreciation for that guidance as well. But if I see the guidance, like if I see in terms of production, your guidance on the higher side, it is 23 odd percent growth in terms of production, while on the sales side, it is not that significant. So, what is the reason for that?

Vishal Chandak: So, I would request our Angul CEO, Mr. Pankaj Malhan, to answer this.

Pankaj Malhan: First of all, thanks for this question. This question, just like Mayank mentioned that we are sounding slightly conservative, and we are confident of delivering more than what we are promising on the table.

Look, company management would be striving to look into the right mix of the product portfolio to deliver the most out of that. So, this is just a guidance, but we are committed to deliver more than this.

Kamlesh Bagmar: No, I was talking more regarding the gap in sales volume and production volumes, not on the guidance part.

Pankaj Malhan: Look, we are in the process of ramping up. And while the guidance is there, but the thought remains we would be delivering more than this.

Kamlesh Bagmar: Okay. And lastly, how much was the HRC sales volume in this quarter?

Pankaj Malhan: In this quarter, it was over 350,000 tonnes.

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

Sumangal Nevatia: The first question is on the Utkal B1 coal block. So firstly, congratulations on getting the crucial mine approved. I just want to understand 2 things. One is when do we expect mining to start? And in the past, we've kind of guided that in year 1, we can ramp up very quickly to almost rated capacity. So, I just want to understand what could be the production, say, this year and next year? And I mean, this is one of the mines, which was one of the lowest bid, I think around 15 odd percent, if I remember correctly. So, what would be the delivered price of coal from this mine to our plant?

Pankaj Malhan: Thanks for this question. Yes, we have received all the approvals needed to start B1. Right now, we're in the process of opening this mine, and we are fully confident in H1 this financial year, we'll open up this mine. And we are committed to deliver the EC limits of this mine in this financial year itself.

Sumangal Nevatia: Okay. So, we can expect somewhere around 5 million tonnes production in the second half?

Pankaj Malhan: Yes. Of course, we are committed to deliver that. On cost part, I think this is too operational question for me to answer, but that is where our numbers would look like.

Sumangal Nevatia: Okay. Okay. On the delivered cost, I mean, can you help us understand 15% premium, what is the delivered price of this coal?

Pankaj Malhan: As a management team, we don't give so many guidances on a specific project. So yes, volume basis, we remain committed to whatever we just now mentioned.

Vishal Chandak: I would urge if we can refrain from asking specific pricing and costing related questions. As a philosophy, we do not discuss the specific questions on the cost and price, please.

Sumangal Nevatia: Understood. My second question is with respect to our sales and production guidance. There's a big difference of 1 million tonnes, which was asked earlier also. So, are we expecting, I mean, I understand the conservative mindset, but are we expecting a buildup of inventory because there's a significant difference between the 2 items?

Pankaj Malhan: I agree. Yes, you can see whenever you're starting a new facility, there is always a ramp-up phase that the facility has to go up. And there would be slight yield ramp-up also which happens, which is the quality ramp-up. And based on that, we've been sounding slightly conservative.

Otherwise, we are almost there in terms of how the ramp-up goes. We are very confident of delivering more than 9 million tonnes of sales.

Sumangal Nevatia: Understood. And just one last clarification. From this impairment losses, do we get any tax savings, tax credit? And also, there's a INR231 crores loss, which was INR231 crores one-off at the EBITDA level, if one can explain what was that during fourth quarter?

Mayank Gupta: So, Sumangal, thanks for the question. So first one, on the Australia-related impairment. We have taken provision in FY25, and we are likely to take this in tax benefit in the FY26 for our tax savings. So of course, these are tax deductible kind of an expenses.

On your question on INR231 crores, that the entire amount is booked in fourth quarter only. And again, this entire amount will be tax deductible. Of course, the year-wise will be specific by each expense. But yes, both these expenses, the exception as well as these one-offs are tax deductible.

Sumangal Nevatia: I just wanted to know what is the nature of this INR231 crores exceptional loss?

Mayank Gupta: Yes. So, as we shared during our opening remarks, Sumangal, there are like 4- 5 broader heads, I will re-emphasize. They include provision taken for old GST input credits, which are not yet been realized due to vendors' procedure lapses. They include provision for aged operational advances and inventory cleanups for past several years. It also includes a carbon credit purchase we have done for our Australia operations, again, relating to prior periods. They're also relating to some balances lying in our books for deallocated mines from past. And lastly, there are some old insurance receivables, which are not realizable. We carry this as an annual balance sheet review exercise. And as part of that cleanup, we have reviewed these balances. All of them are non-recurring in nature and are one-time in nature.

Moderator: The next question is from the line of Prateek Singh from DAM Capital.

Prateek Singh: Congrats on a decent set of numbers. Just one - my first question is largely on the finished steel post expansion. I think the number earlier used to be 13.75 million ton, now it has gone up to 14.45 million ton. So, what is driving difference here? Is it ASL?

So, I'm not sure if you heard the question. So, I was referring to Slide #5, where finished steel, we are saying is going from 7.25 million tonne to 14.45 million ton. This number earlier used to be 13.75 million ton. I'm not sure if I missed anything, but what's driving this difference here?

Vishal Chandak: Prateek, this is Vishal here. So, if you look in the last quarter, from this number, the only thing which has changed is we have formalized the 0.5 million ton, which we had earlier talked about the plate expansion, which we are revising in subsequent times. Okay? So that's the only difference. Previously, we had talked about 0.5 million tonne expansion on the plate mill that we are looking into revising in the coming time. So that's the only difference that we see.

Prateek Singh: Understood...

Moderator: I'm sorry to interrupt. Mr. Prateek, you're not audible. Can you repeat your questions again?

Prateek Singh: Sure. Am I audible now?

Moderator: Yes, sir. Go ahead.

Prateek Singh: Let me come back in the queue then.

Moderator: We will move on to the next question. It's from the line of Raman KV from Sequent Investments.

Raman KV: Sir, I just have 2 questions mainly related to the industry. Sir, recently, India has imposed 12% import duty for 200 days on Chinese steel export. But at the same time, the Chinese steel export prices have dropped from the second half to now around 12% to 13%. So, what are the chances that the prices, Chinese steel prices might still further drop and that will cross out the 12% import duty impacting the Indian steel players?

Sushil Kumar Pradhan: Thanks a lot for the question. So, you are absolutely right. The Chinese prices have dropped post safeguard duty and now hardly there is any margin left to where if any further drop in Chinese prices will take place, then it will have an impact on the Indian prices. However, we are not seeing any further drop in Chinese prices in near future is expected.

Because the other markets like European market and other markets are moving in the upward direction and which will support the Chinese prices. Although they are not moving in that market, but then overall global market prices are not dropping in that level. So, in that respect, we feel that current price levels will maintain in the coming quarter.

Raman KV: So, my understanding is with respect to the steel prices, there won't be any substantial decrease in FY26, and there will be a good chance of upward movement of prices, right?

Sushil Kumar Pradhan: We are not providing any guidance for the entire year. But at least for the current quarter we are in, we are expecting the prices will remain at the current levels.

Raman KV: Okay, sir. Sir, I actually joined the session a little late, but can you just give me an overview of industry dynamics with respect to what are the current global steel prices? And what are the iron ore cost for the company for the coming quarter? And what is the cost for coking coal prices?

Vishal Chandak: It's Vishal here. For the industry discussion, we can discuss separately offline because we have the entire senior management here, and we would want to take all the strategic questions. As far as specific cost on iron ore and coal is concerned, we don't discuss specific cost. For the industry discussion, we can take it offline.

Moderator: The next question is from the line of Satyadeep Jain from AMBIT Capital.

Satyadeep Jain: The first question, as a follow-up to the first question Amit asked on change in write-downs. If I heard it correctly, in response, you mentioned that there are various options being considered.

Just wanted to understand what broadly the options you have on the table? Is one of the options also for promoter entity to take on these assets? What options broadly are you thinking of because these assets have not been generating much cash for many years?

Mayank Gupta: Yes. So, look at this stage, we would not like to detail out the options. To address your question, they are not being discussed with any promoter entity. So whatever option will be with an independent external party only. So, we are debating this option. We will provide an update at the right time.

Satyadeep Jain: Okay. Fair. The second question on the capex, additional capex you had announced last quarter pertaining to color coated, galvanized plate, some crude plates and all. Maybe can you provide more details of maybe timeline for some of these initiatives because you have the capex outlined, but what is the timeline for some of these additional things that you're looking for?

Mayank Gupta: Yes. So, look, this time, as we have shared 2 years ago in our capital allocation framework, we have provided annual rolling forecast year-wise of our capex as well, which we have done. It's on Slide 37 in our presentation.

As far as specific item, what is the specific milestone, the benefits of each of these products will culminate between FY26, 27 and 28. And all the material projects for us as a management, the biggest focus right now is to get our BF2 and BOF2 out, which we have provided an update in the presentations.

Satyadeep Jain: All the new items that you discussed last quarter, you think there could be some benefit from these in FY26 also?

Vishal Chandak: Vishal here. So, if you look at, Satyadeep, we have started some projects few years ago, which will start delivering benefits from FY26 onwards. And the projects which we have announced recently will start delivering from FY27 and 28. So, between FY26 and FY28, you will see an improvement in the product mix as well with the volumes.

Satyadeep Jain: Okay. Just one quick question, if you can squeeze on coal. You guys acquired another coal mine. Just the earlier 4 Utkal mines and Gare Palma were together 15 million tonnes. And you've acquired more mines. Just wanted to understand the thought process because you're also going green. How much, I thought 15 million was already enough. What is the strategy for acquiring more coal mines?

Pankaj Malhan: Satyadeep, if I was to take this question, while we've been maintaining that we got 3 mines, and we are looking at some 13 million to 15 million tonnes of mining coming out of these 3 mines. The fourth one, which we've just bagged is considering that we are coming up with a new DRI over there, which is almost 2 million tonnes. And correspondingly, we really want to go green, and we really want to be on the coal gasification side. So, we would be expanding our coal gasification side, upstream side, I should say. And that's the reason why we really wanted to secure our coal, and that remains the most important ingredient for making SynGas, which is useful in steel making.

Moderator: The next question is from the line of Akshit Gupta from Oaklane Capital.

Akshit Gupta: So, I wanted to ask on gross margins. Like I saw on PPT quarter-on-quarter average selling price increased by 4%. And as you said, coal prices were down by around $10 per tonne and the iron ore also remained flattish. So, I was seeing gross margins decreased by 300 bps. So, any reason why it decreased?

Mayank Gupta: Yes. So, Akshay, first, I think the answer is our quarter-on-quarter volumes increased by 12%, and our EBITDA is increased by 16%, right? So, I would say at the outset, there is an improvement in our operating leverage appearing in the business.

And I think the way you are looking at it, you should look at it with the amounts do include these one-off INR231 crores as we have shared. If you include that, then you will see these numbers. And you can connect with the IR team offline if there are any specific queries.

Akshit Gupta: Okay. And also on coking coal, so we are like mostly backward integrating our thermal coal for the captive usage, but we are not much focusing on the coking coal for the captive use. So, are we planning any inorganic or through auction-based to acquire some mines for the captive consumption?

Pankaj Malhan: Akshit, the management remains very bullish about looking for opportunities which come across the way in terms of looking for some coking coal mines. As we all know, coking coal availability of quality coking coal is very low in India. But let's see if some blocks come up for auctions. We would be keen about them. Thank you.

Moderator: Move on to the next question. It's from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal: Sorry for the confusion. So, I had a question on what percentage of our product mix will benefit from the safeguard duty. So, a portion of flat products has been going up in the mix. So, can we assume that most of that will benefit from the safeguard duty?

Sushil Kumar Pradhan: Yes. So, the safeguard duty is only on the flat product. So, the flat product prices will remain stable because of the safeguard duty, which was under pressure previously before this quarter.

Pallav Agarwal: Yes. So, our proportion of flats has been increasing. So that should overall be beneficial for our blended NSR?

Sushil Kumar Pradhan: Yes. Yes, you're absolutely right on that sense.

Pallav Agarwal: Sure, sir. And are we seeing enough demand in the market to absorb the increase in prices because of safeguard duties? I know Q4 is traditionally a strong quarter, but are we seeing enough demand in the first quarter as well to absorb these price hikes?

Sushil Kumar Pradhan: See, if you look at the demand-supply scenario, last year, we were a net importer by 4.3 million tonnes. So, with the safeguard duty, we are expecting the India will not remain the net importer by such a wide margin. So that much of the domestic consumption will grow up. The domestic demand from the domestic producers will go up, and that will absorb any additional capacity or any additional production.

Pallav Agarwal: Sure, sir. Also, you've stopped giving the EBITDA and production volumes for Mozambique, South Africa. So, is it fair to assume that these are no longer contributing materially to the overall EBITDA?

Vishal Chandak: Vishal here. So, if you look at in the overall scheme of things, the overseas subsidiaries like Mozambique, South Africa are not contributing so significantly. So, I think that's why it's not coming on the forefront. But if you need anything, sir, we can discuss it offline.

Moderator: The next question is from the line of Kirtan Mehta from Baroda BNP.

Kirtan Mehta: First question is about the RINL volumes that we have discussed in the past. Are we still expecting any metal coming from RINL, which we can process at our plant?

Mayank Gupta: Yes. So, we do not expect any volumes with RINL. We have updated. And of course, we are doing our own capacity expansion now.

Kirtan Mehta: Sure. And the second question was about, could you share your revenue and capital acceptances and how they have changed over the last year?

Mayank Gupta: Look, I'll give you the approximate numbers. So, the revenue-related acceptances are in the range of INR3,147 crores and in the capital-related advances are in the range of INR663 crores.

Kirtan Mehta: Would you be also able to share how they changed over the last year?

Mayank Gupta: So, on a quarter-on-quarter basis, the capital acceptances are largely in the same range. There is a movement of about INR40 crores. And the revenue, there's been movement of around INR150 crores or so, but largely in the similar range numbers. And you can connect with the IR team for any specific question.

Kirtan Mehta: Sure, sir. And the last question was about the $150 million realizable value that we are seeing with Australian subsidiary. Would you give us broad heads under which this realizable value is accounted?

Mayank Gupta: Yes. So, they are largely the fixed assets in nature and assessed independently through our independent valuer. It's fixed assets and mining rights.

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

Indrajit Agarwal: A couple of questions. What was the pellet sales for the full year?

Pankaj Malhan: Pellet sales, it's largely internal consumption that we do. It's a very insignificant sales that we go outside and do it.

Indrajit Agarwal: No meaningful sales we do. Thank you. That is helpful. Second, can we expect the exit production run rate? I know you have given a guidance of the full year volume, but can we expect that the exit production run rate for the key upstream capacities, BF, BOF would be in line with the nameplate capacity or ramp-up would still go through in FY27?

Pankaj Malhan: No, it's a wonderful question, Indrajit, while we've given the guidance and we always remain very bullish about what would be the exit rate, the management would always continue to strive to the fullest nameplate capacities. So that's what I can say. Thank you very much for your question.

Indrajit Agarwal: And lastly, there is a different...

Moderator: Mr. Indrajit, I would request you to please come back in the queue for further questions. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Given 2 questions. On the first question, can you give us an update on Utkal C, B2 and Gare Palma IV/6? Are they already commissioned? If not, by when?

Pankaj Malhan: Thanks, Ritesh. A lot of things that you asked. Utkal C, Gare Palma IV/6, they are all commissioned, and we have ramped up those facilities. Whereas I just mentioned a while back, Utkal B1, we have received all the approvals, and we are in the process of opening up that mine. And we are very hopeful, the way your earlier fellow person asked that question, we remain bullish about mining to the capacity in this financial year.

Ritesh Shah: Sir, would it be possible for you to comment on the throughput? Are we hitting ECs what we had earlier indicated? Or there is more juice on cost savings that one can expect going forward?

Pankaj Malhan: Utkal C, we have already hit the EC rate in the last financial year itself. Utkal B1, which we are opening up now. We are very hopeful and confident of this. Gare Palma, we are again very hopeful about this.

Ritesh Shah: Sir, I could not understand Gare Palma. What you said?

Pankaj Malhan: I'm just repeating, Gare Palma, we have already hit the EC run rate, and we are hopeful of repeating it in this financial year also.

Ritesh Shah: Perfect. And sir, my second question, I think in the presentation, we have indicated with a project ROCE of 18%, 20%. This is pertaining to annual INR7,500 crores to INR10,000 crores of capex. ROCE of 20% looks quite steep. So just wanted to understand what is the underlying denominator and the numerator that we are looking at?

Or if I have to put it the other way around, if one had to build this number around INR47,000 crores of capex mentioned on Slide number 37, again, the ask would be quite steep. So just trying to get a sense on how we arrive at this number of 18% to 20%.

Mayank Gupta: Yes, good question. So, the first point is we are reiterating. This is not the first time we have said. We have been maintaining this for a long period of time. The philosophy we follow is every project we appraise has to meet this threshold of 18% to 20% once the project stabilizes. So, this capex is planned. And as we have shared year-wise, once it's normalized on a steady-state basis, we expect it to be 18% to 20%. This is pre-tax ROCE. Denominator, as you rightly said, remains this capex and numerator will be the return out of it pre-tax.

Ritesh Shah: Sure. And just last one, a clarification. Slurry line, I think in the presentation, it says 82% complete. However, I looked at the Q2 presentation, the timeline over there was given Q4FY25. Is there a slippage over here? That's one.

Likewise, for BOF2, I think the timeline which was indicated was Q4FY25 in the last Q2 presentation. However, it's a different storyline in the current presentation. So just trying to get comfort, are there any delays because you did indicate for all the projects, except for the 2 that you stated, everything was on schedule. So, can you please reaffirm the timelines over here for, say, slurry pipeline and BOF2?

Pankaj Malhan: Thanks for your question. That's a wonderful question. Slurry pipeline, like we've been always giving our thoughts to that, 82% project over right now when we are talking about, and we are in the final legs of completing this project. While the commissioning of 200 kilometers of pipeline, you can understand, take some time. And that's the guidance that we've given in H2 of FY26, we should be able to fully get on the top of this project and the benefits would start coming in.

Ritesh Shah: And sir, BOF2?

Pankaj Malhan: And BOF2, of course, that project is progressing quite well. We have already started the commissioning activities of this project, and we are very hopeful of seeing the light of the day in quarter 2 of this financial year.

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

Rajesh Majumdar: So, sir, I think you've already highlighted the fact that we will be having some lag between the production and the sales this year due to the ramp-up of the plant. Combined with this, we have liquidated inventory substantially at the end of March. So, is it suffice to assume that the net debt will probably go up significantly this year and then probably fall in FY27? Maybe it will go to the higher end of our kind of 2x net debt to EBITDA before it falls again in FY27? That was the first question.

Mayank Gupta: Thank you for asking. I think this is an important area for us. As you can see from Q3, we were at 1.40 net debt to EBITDA, and we have really worked hard to get it down to 1.26 now. We are fully committed to keep it below 1.5 across all cycles. As you rightly said, yes, we are in the middle or towards the close of our capex cycle with a lot of these projects coming in.

So yes, there will be a bit of a stretch, but we are remaining committed that we will remain under 1.5x. There's no point we will ever touch 2. And hopefully, towards the end of FY26, we will start to see this tapering down and numbers getting even much, much better.

Rajesh Majumdar: Right. That's useful, sir. And secondly, sir, if you could give us a total comprehensive requirement of coal, including the coal gasification that we'll have from, say, FY27? And how much of it will be coming from our own mines on the thermal coal side?

Pankaj Malhan: While this is a wonderful question, you're looking for a year ahead guidance. We can only speak about FY26 as of now. Overall coal requirement is close to 10 million to 11 million tonnes, and we remain committed to deliver everything out of our own mines.

Moderator: The next question is from the line of Rahul Gupta from Morgan Stanley.

Rahul Gupta: So, 2 questions. First, continuing on the ROCE question discussed earlier. When you say stabilized business ROCEs of 18% to 20%, can you help us understand what kind of steel prices and raw material prices you take into account when you derive these numbers?

Mayank Gupta: Rahul, so look, nobody can forecast future steel and raw material prices. What the underlying assumption is ceteris paribus on prices and raw materials.

Rahul Gupta: Sorry, I did not get you. Can you please repeat?

Mayank Gupta: Look, we do not speculate for future steel prices or raw material prices. Assuming they stay as they are, i.e., ceteris paribus, that's the baseline assumption for our ROCE guidance of 18% to 20% for all the incremental projects we are doing.

Rahul Gupta: Okay. My second question is with various projects like slurry pipeline, conveyor belts and coal blocks getting activated sometime during the year, can you help us understand broad range of cost savings that would come over the next couple of years?

Mayank Gupta: Yes. So, look, we will not be able to give specific numbers. We have already given the guidance on production and sales volume. What we can say that these projects are progressing well, and likely benefits start to accrue from second half of this financial year. And all of our focus is to get production up and focus on value-added products as well as keep optimizing our costs.

Rahul Gupta: No, that's understandable. I'm asking specific from the cost savings view. Slurry pipeline, conveyor belts are already coming sometime during the year, right? And with you using a captive coal through the year, what kind of internal estimates have you done on the cost savings? Any broad range would be fine.

Mayank Gupta: Yes. So, look, we do not give any specific cost or EBITDA guidance. In fact, based on the feedback, we have started giving our production and sales volume guidance, and we would like to stick to that.

Moderator: The next question is from the line of Raashi Chopra from Citi group.

Raashi Chopra: Just one question again on the captive coal. How much thermal coal did you get in FY25? Even though you achieved the EC limit, but the actual amount of captive coal in the year.

Pankaj Malhan: Thanks for your question. Like you wanted a specific number. So, to be very specific on the numbers, we mined close to 7.5 million tonnes of thermal coal in FY25.

Raashi Chopra: All right. And you're expecting that to grow how much in FY26?

Pankaj Malhan: Well, we don't want to give you a forward guidance, but with the B1 coming up, which I just stated, our volumes would be much higher.

Moderator: The next question is from the line of Amit Murarka from Axis Capital. Please go ahead. As there is no response, we will move on to the next question. It's from the line of Somaiah V. from Avendus Spark.

Somaiah V: First question is on the utilization. What would be the current level of utilization? And also, as you have earlier said 40-60 is the mix in terms of flats and longs. Where do you see this for FY 26?

Mayank Gupta: Yes. So, look, our current utilizations are in the range of 85%, as you have said. And the mix, I'll let my colleague, Sushil Kumar Pradhan Ji answer.

Sushil Kumar Pradhan: So, when we'll have the full commissioning of all the facilities. I think at the exit; we will have almost 70% of flat and 30% of long.

Somaiah V: So, this is when the entire 14 million tonnes, 14.5 million comes into, that's the time frame when you are saying 70-30?

Pankaj Malhan: If I was to take this question, Somaiah, look, business remains very volatile these days, and management keeps striving to realign the product mixes as per the market needs. So, while you rightly said in FY25, our numbers were 40-60 in terms of Flats and Longs. And of course, they are expected to go up. But looking into the market mix, there could be changes to align our strategies with respect to the market needs.

So that's how the numbers would look like. But yes, on a capacity installation basis, we would be over 70% in terms of flats and 30% in longs going forward. Thank you.

Somaiah V: Yes. Helpful, sir. Sir, second question is in terms of pellet. If you could just share the number in terms of pellet production for FY25? And what is the expectation for FY26 with the new capacity and then how would we kind of ramp up, just on the pellet numbers for FY25 and FY26?

Pankaj Malhan: Again, a very specific question, but we're giving, since you've asked, we did close to 2.5 million tonnes of pellet production in our Angul pellet plant. And going forward, it's going to only go up. Our exit was much higher than this.

Moderator: The next question is from the line of Nirbhay from N Square Capital.

Nirbhay Mahawar: Sir, last year, India had roughly 10 million tonnes of steel import. Do you see this falling substantially post safeguard duty?

Sushil Kumar Pradhan: Yes. We expect the import to drop. However, for the entire year, providing a guidance will be too tough at this point of time. We are just at the start of the year, but import will fall down.

Nirbhay Mahawar: Sir, also any thoughts on medium-term outlook for coking coal market because coking coal prices have even substantially, and which has been a release. So how do you see, I'm not looking for a guidance, but any possibility of a significant reversal?

Mayank Gupta: So, look, as you said, we can't give a long-term guidance. But for Q1, I think we've already shared, we're expecting coking coal to be lower by $10 to $15 per ton.

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

Mayank Gupta: FY26 will be exciting times for JSP with several facilities commissioning, including BF, BOF, Shree Bhoomi Power Plant and other related plants, which will catapult Angul to one of the leading single site production sites with a vision to become the largest single site for steel manufacturing globally.

Our investments are not limited to only capacity expansion, but encompass the entire value chain from mining, logistics, manufacturing and sustainability. This resonates with our philosophy of chasing value rather than chasing growth. We thank you for the trust reposed in the company, and we'll continue to work in the best interest for all stakeholders. Thank you.

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