

November 5, 2025

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Dear Sir / Madam,

SUBJECT: TRANSCRIPT OF EARNINGS CONFERENCE CALL HELD ON OCTOBER 29, 2025

This is in furtherance to our letter dated October 24, 2025, w.r.t the Earnings 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.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
Wholetime Director

Encl.: as above

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

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**“Jindal Steel Limited
Q2 and H1FY26 Earnings Conference Call”**

October 29, 2025



MANAGEMENT: **MR. GAUTAM MALHOTRA – CHIEF EXECUTIVE OFFICER**
MR. SABYASACHI BANDYOPADHYAY – WHOLE TIME DIRECTOR
MR. PANKAJ MALHAN – EXECUTIVE DIRECTOR
MR. SUNIL AGRAWAL – CHIEF FINANCIAL OFFICER
MR. S.K. PRADHAN – EVP (HEAD OF FLAT PRODUCTS)
MR. VISHAL CHANDAK – HEAD (INVESTOR RELATIONS & STRATEGIC FINANCE)

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

Moderator: Ladies and gentlemen, good day, and welcome to Jindal Steel Q2 and H1FY26 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 the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Vikash Singh from ICICI Securities Limited. Thank you, and over to you, Sir.

Vikash Singh: Good afternoon, everyone. Welcome, everyone, on the Q2FY26 Jindal Steel concall. Without taking any much time, I'll hand it over to Vishal Chandak, who is the Head IR for the team. Over to you, Vishal.

Vishal Chandak: Thank you very much, Vikash, for hosting us. Ladies and gentlemen, good afternoon, and welcome to the Q2FY26 earnings briefing for Jindal Steel Limited. We have with us senior management of Jindal Steel. We have Mr. Sabyasachi Bandyopadhyay, Whole Time Director; Mr. Pankaj Malhan, Executive Director; Mr. Sunil Agrawal, CFO.

I am also happy to introduce to everyone our new CEO. So please join me in welcoming Mr. Gautam Malhotra, who has been appointed as the CEO of Jindal Steel. Gautam Sir brings in about 2 decades of experience across operations, supply chain, sales, marketing, strategy, finance, M&A. He holds an MBA with honours from Manchester Business School, University of Manchester, U.K., with additional specializations in operations and strategy from Indiana University in U.S., as well as from IIM Ahmedabad.

He earned his BE, Computer Engineering, from University of Pune. It's pertinent to note that he has been associated with the company since May 2024 and has since worked closely with the business in all the areas, including mining, production, HR, logistics, technology, AI adoption and sales.

Over the past 1.5 years, he has played pivotal roles in strengthening the company's commercial value chain along with sales and marketing teams, logistics, IT and HR. He's been particularly focused on sales generation, go-to-market strategy, logistics support and HR development and commercial functions. And lastly, I would also remind that we are also joined by our Head of Flat Products division, Mr. S.K. Pradhan.

With this, I would hand over to Gautam Sir for his opening remarks. Over to you, Sir.

Gautam Malhotra: Thank you, Vishal, for the introduction. Good afternoon, ladies and gentlemen. Wish you all a very happy Diwali. I hope you had a wonderful festive season, and I welcome you all to the Q2FY26 earnings briefing of Jindal Steel.

Let me start off by talking about the global economy. To quickly brief you on the global economic scenario, the IMF, in its October'25 update, raised the CY25 global growth forecast to 3.2% from 3% in the July report, whilst maintaining CY26 forecast at the same level at 3.1%. India continues to remain the fastest-growing economy among all large ones with IMF forecasting FY26 growth rate at 6.2%. RBI has raised India's FY26 real GDP growth rate from 6.5% to 6.8% in its recent MPC meeting.

Moving on to steel industry. China's steel output continues to exceed subdued domestic demand. On a YTD basis for the period Jan to September '25, Chinese steel exports have surged 9% to 88 million tonnes, marching to an all-time high run rate of 117 million tonnes annually. The surge in low-priced shipments is pressurizing global prices and has prompted several countries to introduce tariffs and non-tariff measures to curb Chinese imports.

India's crude steel production grew 2% quarter-on-quarter to 41.5 million tonnes in Q2FY26, while demand increased 6% quarter-on-quarter to 40.5 million tonnes. Steel exports increased by 18% quarter-on-quarter to 1.9 million tonnes and imports increased 36% quarter-on-quarter to 2.5 million tonnes.

India remained a net importer of steel in the second quarter of FY26 for the sixth consecutive quarter with 0.6 million tonnes of net imports despite imposition of the safeguard duty. Imports from FTA countries increased from 64% in Q1FY26 to 69% in Q2FY26. Imports from China also jumped 46% quarter-on-quarter in Q2FY26 despite the imposition of the safeguard duty.

The DGTR has proposed extending the safeguard duty for 3 years at step-down rates of 12%, 11.5% and 11%. We await the final nod from the Ministry of Finance. Coming to the steel industry in India, Indian steel prices corrected in Q2FY26 owing to seasonal weakness. Domestic HRC prices stayed weak due to the softening Chinese steel prices, while TMT fell more relative to HRC, which is a seasonal pattern. Steel prices are likely to stabilize post the festive season as the construction demand returns.

Now let me turn over to the key quarterly numbers:

Production during the second quarter was down 5% quarter-on-quarter to 2 million tonnes. Sales volume at 1.87 million tonnes was down 2% quarter-on-quarter. The performance was impacted due to prolonged monsoon season and planned shutdowns during the quarter. We undertook a planned shutdown of approximately 1 month for the DRI plant at Angul as an example.

Consolidated gross revenue fell 6% quarter-on-quarter to INR13,505 crores due to a reduction in sales volume and weaker steel prices. During the Q1FY26 earnings call, we guided savings of about \$5 per tonne in our Q2FY26 coking coal consumption. Our actual coal cost has reduced by \$4 per tonne in Q2FY26, broadly in line with our guidance.

The consolidated adjusted EBITDA for the quarter stood at INR1,875 crores and the adjusted EBITDA per tonne stood at INR10,010 per ton. Our EBITDA was also impacted by a planned shutdown. The total cost of the shutdown, which is non-recurring in nature, was around INR174 crores. PAT for the quarter stood at INR635 crores.

Coming to our debt profile. Our consolidated net debt as on 30th September 2025 was at INR14,156 crores, which has decreased by INR244 crores on a sequential basis, primarily on account of efficient working capital management. Accordingly, net debt-to-EBITDA stood at 1.48x at the end of the second quarter.

We reiterate our commitment to cap the net debt-to-EBITDA at 1.5x, underscoring our position as one of the strongest balance sheets in the industry. Our total capex in the quarter stood at INR2,699 crores. Out of our total announced capex of INR47,043 crores, we have spent INR30,849 crores till 30th September 2025.

The second quarter of FY26 was a defining quarter for Jindal Steel. At Angul, we commissioned 2 major plants, the 4.6 million tonne per annum Bhagavati Subhadrika Blast Furnace-II, which more than doubled the hot metal capacity at Angul to 8.85 million tonnes per annum from the earlier 4.25 million tonnes per annum.

And the new 3 million tonne per annum Basic Oxygen Furnace –2, the BOF2, taking crude steel making capacity at Angul from 6 million tonnes to 9 million tonnes per annum. Together, these assets synchronize hot metal and steelmaking capacities and put us firmly on track to reach the stated 12 million tonne per annum goal at Angul within the current financial year. With the current round of expansion, we will achieve 15.6 million tonnes of steel making capacity by the end of this fiscal year.

All other projects are progressing in line with the timelines and remain on track for commissioning as scheduled. Let me talk a bit about the work done around harnessing the power of AI at Jindal Steel. At Jindal Steel, artificial intelligence is transforming the way we operate, making our processes safer, faster, smarter and more efficient.

We've deployed IoT sensors on critical equipment to predict failures early, enhance asset reliability and prevent unplanned shutdowns. With computer vision and video analytics, we ensure PPE compliance, detect near miss incidents, analyse coal size and moisture, and also automate billet counting. Our predictive AI models forecast power demand, optimize blast furnace operations and also improve gasifier efficiency, thereby driving higher productivity and lower costs.

For the third quarter FY26, we expect the coal consumption cost to increase by \$3 to \$5 per tonne sequentially. Iron ore costs are currently flattish quarter-on-quarter. Whilst NMDC has reduced prices, OMC auction prices continue to be higher despite the soft steel prices. Domestic steel prices are currently lower by around 2% to 3% compared to Q2. While prices are soft currently, we expect prices to improve post the festival season. However, it is a little too early to talk about how Q3 really shapes up.

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

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** Congratulations, Gautam, in the new role. Just the first question is on cost. So, in Q2, there seems to be a significant rise in operating expenses as well as the RM cost. If you could just detail out what are the reasons for the same?
- Gautam Malhotra:** Sure. Thanks for the question. As I mentioned earlier, we had planned shutdowns, DRI, CGP and pellet plants at Angul, and these were for around 25 to 27 days each. And during this period, we had also purchased some external metallics from the market to make up for the deficit somewhat.
- Also, it was a prolonged monsoon that also affected the operations a bit and the technoeconomic parameters of the blast furnace operations. Putting these together, that's the reason for the cost. And going ahead, we should be in a much better shape.
- Amit Murarka:** Would you be able to quantify the impact of the shutdown, both on the metallic purchases as well as opex?
- Gautam Malhotra:** The overall impact was about INR250 crores.
- Amit Murarka:** Got it. And just on volumes, so now that the 4.6 million tonne blast furnace is commissioned, what is the volume kind of expectation for FY26, '27?
- Pankaj Malhan:** We're looking at almost 60% annualized basis volume offtake in H2.
- Pankaj Malhan:** So, you were asking volume for '26, '27, right?
- Vishal Chandak:** So, Amit, as far as next year's volume guidance is concerned, we will come back to you in the Q4 earnings call and then probably that would be a good time to talk about next year's numbers.
- Amit Murarka:** And H2, you're saying 60% of the new blast furnace, the 4.6 million tonnes?
- Pankaj Malhan:** Yes. So overall, you've received the guidance for the whole financial year. We hold on to that.
- Amit Murarka:** Right. And just on the liquid steel and iron making capacities, like currently, you are at 12.6 million tonne liquid steel, but 15 million tonne iron making. So, what is a more kind of, I mean, a better capacity number to kind of consider in the current context?
- Gautam Malhotra:** If I understand your question correctly, I think you should be looking at liquid steel at the moment.
- Amit Murarka:** Right. I mean, you are short on liquid steel versus iron making. So, 12.6 million tonnes is what we should look at in terms of your current capacity there?

- Gautam Malhotra:** For the current period, yes.
- Vishal Chandak:** So, Amit, when you look at it, both the blast furnace and SMS are on a ramp-up stage. So that's how you should look at it. So eventually, these will match. And once we have the second SMS also, then we'll have a full capacity with it.
- Moderator:** The next question is from the line of Parthiv Jhonsa from Anand Rathi.
- Parthiv Jhonsa:** So, my first question is just continuing to the previous participant, wherein you just said that you are holding into your FY26 guidance. That basically works out to an average of about 2.5 million tonne kind of a number per quarter in sales offtake. If I read it correctly, I think over the last 2 or 3 quarters, you have, it's a bit difficult that you're not able to cross that 2 million tonne mark. How confident are you to cross that 2 million tonne mark per quarter in Q3 and Q4? I understand that Q4 is a good quarter but just wanted to understand your take on it.
- Gautam Malhotra:** You've picked up the thing correctly, Q4 is the positive quarter, plus we're ramping up new capacity. So that's also adding in. So that's why we're holding on to the number.
- Parthiv Jhonsa:** But just wanted to get your confidence, because last 2 quarters, we have not been able to do it when a couple of our peers as well as if you see a domestic, the numbers are decent enough, right? The offtake numbers have been picking up over 8%. So just wanted to get your understanding on that.
- Gautam Malhotra:** No, we're fairly confident because the capacities came on very recently only.
- Parthiv Jhonsa:** All right, Sir. Sir, my second question is pertaining to the mining activity, whereas I believe in last quarter, Utkal B1, the ramp-up was around Q2. This time around, it's been moved to H2. Just wanted to also understand the iron ore mine, what you had picked up quite recently about a quarter back. Just wanted to get the timeline for that and the volumes from each of these basically, if possible.
- Gautam Malhotra:** So Utkal B1, we are now in the phase of commissioning the mine and we told you H2. So most probably by the end of this quarter, we should have output from that mine.
- Parthiv Jhonsa:** And what would be the volume from that, Sir, and also from the iron ore mine?
- Gautam Malhotra:** Let us enter the mine. I think that's something we can take once we've entered the mine and we'll be able to give you a better picture then.
- Moderator:** The next question is from the line of Satyadeep Jain from Ambit Capital.
- Satyadeep Jain:** Just wanted to check on the capacity, iron making capacity, which is still in works, the DRI and BOF 3, any maybe concrete timelines you're looking at for those in the second half?
- Gautam Malhotra:** I think we've given you the guidance on those capacities. The projects online, we're on track on those timelines. So, it should get commissioned in this half year, in Q4 of this year.

- Satyadeep Jain:** Okay. And in the presentation, when you say compared to 18%, 20% ROCE that you're looking at for projects, it's mentioned 9%. Just wanted to understand what that is, is that for some new projects you've commissioned, or what?
- Gautam Malhotra:** I think you are looking at 2 different things. What that implies is that any new projects that we are looking at setting up over the recent past, the threshold is 18% to 20% ROCE from those projects. What you're looking at the other number is what we're working on currently as an enterprise.
- Satyadeep Jain:** This is the, you're talking about the current ROCE for the business, the entire capacity right now?
- Gautam Malhotra:** Yes, exactly.
- Satyadeep Jain:** Okay. Just one last question. Just on the entire industry, I just want to understand, in your view, what is going on? Obviously, there has been extended monsoon. You had your own capacity under maintenance.
- There is some new capacity restart. But generally, very subdued profitability for the entire long sector right now. Is it purely demand? What could be causing it? And are you just counting on demand revival in the second half to improve profitability for the segment? Just wanted to understand, in your view, what's happening?
- Gautam Malhotra:** You picked up a lot of things in your question itself, and I do apologize if I did interrupt you. But I think you picked up a lot of things in your question itself. It was a prolonged monsoon. Typically, if you look at our history, we would spread out our shutdowns probably over 2 quarters. We brought it into the monsoon period.
- Plus, we knew our new capacities were coming online. So, we were actually getting ready for these ramp-up phases. So now we're all set to take off from here. And obviously, we do expect that now the monsoons are over, the construction activity will pick up. So, the offtake should get better as well. I hope that answers your question.
- Satyadeep Jain:** Yes, it does.
- Moderator:** The next question is from the line of Rajesh Ravi from HDFC Securities.
- Rajesh Ravi:** Part of my questions have been answered. I just wanted to have a more detailed understanding on the incremental cost savings given that the pricing in Q3 is again down on a lower base of Q2, and even coking coal prices also you mentioned have inched up. And even iron ore, there are no savings we are looking at. So, what are the cost saving numbers you're looking at, which could drive up the margins in H2?

- Gautam Malhotra:** Yes. The prolonged monsoon period hopefully is over, so that should drive the demand side of it. Coming to specific cost saving numbers, I think that's something we would not want to get on the call right now. But we do expect that at least 2% to 3% of savings would come over Q2 right now, immediately.
- Rajesh Ravi:** Sorry, 2% to 3% of what?
- Gautam Malhotra:** Overall cost structure.
- Rajesh Ravi:** Okay. And any thought on pricing? Is it all to do with domestic demand picks up? What are the factors you're looking at before these prices can again, there were expectations that with the safeguard duty, prices will stabilize or look up, but we are looking, both long prices have taken a deep dive and even flats are also down. And even in this quarter, the situation so far has been not at all conducive. So how do you look at the pricing trend?
- Gautam Malhotra:** Sushil, do you want to comment on this?
- S.K. Pradhan:** Yes. We are expecting the demand to pick up from here on, from November, December onwards, because the monsoon itself was very long. And the good part is that all the festivals were bunched together in the month of October. So now we have 5 months of clean demand period, which is seasonally very strong period. So, a lot of factors.
- The strong government or private capex which is coming in post GST cut. There is a good demand revival in automobile, household appliances, real estate, all those sectors, which are further supported by GST reduction. So, we are expecting the prices to rebound from here.
- Moderator:** The next question is from the line of Pallav Agarwal from Antique Stock Broking.
- Pallav Agarwal:** Sir just wanted a clarification on the debt number. So, I think you mentioned that capex acceptances are not in the debt. So, are there any revenue acceptances that we have?
- Gautam Malhotra:** Sunil ji, can you take this, please?
- Sunil Agrawal:** So basically, if we split it, so right now, we have the revenue acceptance around INR4,982 crores, and capital acceptance, we have INR431 crores.
- Pallav Agarwal:** And this revenue acceptance, yes Sir.
- Sunil Agrawal:** Yes. Revenue acceptance is INR4,982 crores.
- Pallav Agarwal:** And this is already included in our net debt figure of INR14,156 crores.
- Sunil Agrawal:** No, this is not included in the net debt figure.
- Moderator:** The next question is from the line of Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia: First question is on the project update. So, if you could just share, one is on the slurry pipeline, there's been continuous delay. So, what exactly is the key bottleneck we are facing? And what's the latest expectation? And on captive coal, if you can share what is the H1 production of captive coal?

And how much are we purchasing from outside? And lastly, on Utkal B2, just wanted to get the latest expectation as far as approvals are concerned. And also, with Utkal C and the earlier coal block, are we looking at extension of the mining capacity?

Pankaj Malhan: You've asked so many questions. Maybe I may miss some of them. You started with slurry pipeline. Yes, slurry pipeline, 90% we have completed, and we remain on track to complete that project as per the guidance. Then your second question, if I picked it right, was captive coal production.

Our guidance of H1, basis our captive mines was intact, and we continue to hold on to our guidance into H2. Third question potentially which you asked was about Utkal B1. As Gautam just now mentioned that we have entered into Utkal B1 and our production would be definitely coming up in quarter 4 onwards. So, we remain on track to mine in quarter 4 itself.

Sumangal Nevatia: Sir, just if you can share what is the production of captive coal blocks in H1 in terms of million tonnes and versus what is the external purchase?

Pankaj Malhan: Our external purchases were minimal. Minimum when I say, it would be just legally to nonmaterial levels, which was 3% to 4% level, and rest all was from our own captive mines.

Sumangal Nevatia: Understood. And Sir, my second question to Mr. Malhotra. I just want to understand, I mean, management churn has been quite high at the top level here. So how are we looking to address it? And what are your key focus areas as you take up this role for the near to medium term?

Gautam Malhotra: I'll take the second part of the question first. If you're talking about the long-term goals of the company, I think we need a separate session. We've charted out our journey. So that's something which probably would take too much time on the call. And your first question was management churn.

See, when I walk around the company, I see a lot of people who've been here for more than 2 decades. I see a lot of people who've been here for more than a decade. So, I see a lot of stickiness. And if I look at the overall retention rates, they're fairly high. And that drives a lot of confidence in me to be able to drive the agenda that we've set for ourselves.

And you see a very rock-solid core management team coming together to drive the goals of the company forward. I think that should give you enough confidence in our journey going forward. And by the way, I tend to stick around.

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

- Indrajit Agarwal:** Just one clarification. The INR250 crores one-off impact that you mentioned, would the entire thing reverse in 3Q?
- Gautam Malhotra:** I think you mean the reverse means it won't incur, yes, it won't incur, yes, please, if that's the question.
- Indrajit Agarwal:** All right. So that should be automatically somewhere close to INR1,000 delta, right, in 3Q?
- Gautam Malhotra:** Yes, you've got that right.
- Moderator:** The next question is from the line of Somaiah V from Avendus Spark.
- Somaiah V.:** A few questions. So first one is on the realization in the quarter, Q2. If I look at per tonne realization, it's almost flat, just a INR500 per tonne Q-o-Q decline. But industry rebar prices, which have seen a sharp decline. So, I mean, anything in terms of exports or value-added products? So, what is helping us to be more or less flattish Q-o-Q?
- Gautam Malhotra:** Sushil, do you want to take this? I'll give it a heads up. Yes, we are highly focused on value-added sales, and our exports have also gone up. And within exports also, we've been focusing on value-added sales.
- So, Sushil, do you want to dive a bit deeper into the question?
- S.K. Pradhan:** See, there are a couple of things which we have done, which make sure that despite an industry drop in NSR, significant drop in NSR, we have a very less drop. One is that our value-added component is very high. If you look at our investor presentation as well, the value-added component in this quarter is 73% of our total sales, which is the highest ever, right. We are continuously ramping up our value-added sales. That is helping us.
- Thirdly, we also have ramped up our downstream business, which in a way is a value-added business to us. So that also helped us in improving the NSR mix, right? So apart from that, the export also has helped us on the flat product side. So, our ramp-up in flat product side is much more. The composition has changed, long to flat. So that also has helped us.
- Somaiah V.:** The long versus flat mix, what would be this quarter versus previous quarter?
- S.K. Pradhan:** Last quarter, the long component was 56% of sales. This quarter, it is 51%. So flat, we have ramped up from 44% to 49%, because we have tweaked the product mix accordingly based on the market because long side, there was a much more weakness than flat. So, we have improved the flat side. And we continue to work on the product mix side to work on the realizations.
- Somaiah V.:** Got it, Sir. Sir, also in terms of iron ore and pellet, our captive iron ore production last quarter and also pellet production, if you could just help us on that?
- S.K. Pradhan:** Pankaj Sir, if you want.

- Pankaj Malhan:** You're looking at the exact numbers, what we did in last quarter in terms of our iron ore mines, right?
- Somaiah V.:** Yes. Iron ore and pellet.
- Pankaj Malhan:** So, our overall pellet utilization, if I was to say, our overall pellet utilization was in excess of 75%. And our in-house mines, our capacity utilizations were close to 2 million tonnes. That's what we mined out of our ore mines.
- Somaiah V.:** When you say the 75% utilization, this was on 15 million tonne capacity?
- Pankaj Malhan:** Yes.
- Vishal Chandak:** Somaiah, let me give you a quick perspective. Our Q1 total share of captive mines in the total consumption of iron ore was about 29%. We have ramped it up to 45% in Q2 from our own captive mines, if that's what you are looking at, right?
- Somaiah V.:** Yes, yes.
- Vishal Chandak:** And the increase is largely on account of better production from Kasia as well as incremental production from Roida-I mines.
- Somaiah V.:** Got it, Sir. One last thing, on international assets, if you can just give us what was the profitability last quarter?
- Gautam Malhotra:** Sunil ji, you want to comment on this.
- Sunil Agrawal:** Yes. So, from the international business, as you know, we have very minimum operations there. So, our largest mine there, WCL, is already taken in care and maintenance. So, we are operating in Mozambique and a little bit in South Africa. So overall, there is not much contribution from the overseas mines.
- Moderator:** The next question is from the line of Raman KV from Sequent Investments.
- Raman KV:** I just want to understand what's our current capacity with respect to the steel production. And how much are we planning to add by the end of this year?
- Vishal Chandak:** So, you're talking about steelmaking capacity, right?
- Raman KV:** Yes Sir.
- Vishal Chandak:** Our current capacity is 12.6 million tonnes. And by the end of the year, we plan to add another SMS of 3 million tonnes, which will take us to 15.6 million tonnes.
- Raman KV:** And Sir, from my understanding, we are not able to cross the 2 million tonnes per quarter mark. So, with the new capacity coming online, will there be increase in the production utilization of the existing capacity?

- Gautam Malhotra:** I think you've got 2 questions over there. One, yes, we are working on increasing the utilization of our current capacities, and that's work in progress. And obviously, the output will go up as the new capacities come online.
- Raman KV:** And Sir, the incremental capex for this additional 3 million capacity, which will come in the second half, what will it be? And how much will it be via debt and internal accrual?
- Gautam Malhotra:** If you look at the historical thing, and you would have picked up in the deck that we're funding a lot of our capex from internal accruals only, actually a large portion of it, if not all. And the first part of your question was, we've given you the guidance on the overall capex. And in my opening remarks also, I gave you the capex number. What we spent so far is INR30,849-odd crores out of INR47,043 crores of the remaining capex that we have.
- Moderator:** The next question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** So, while you mentioned that the captive iron ore production was 2 million tonnes, how much was Tensa production out of that?
- Gautam Malhotra:** Tensa was minimal in this quarter. What you have to understand is that Tensa as a mine is at its end of life. And we're working on now extracting some more material out of it, but that's only on the boundary wall. It's an end-of-life mine. I think that's the way we should look at Tensa.
- Amit Murarka:** Sure. So, ballpark 0.1 million tonne or lower should be a number to think of on a quarterly basis?
- Gautam Malhotra:** Top of my head, yes, that would be something close to that. If you want any specifics, Vishal is always available, I think, offline.
- Amit Murarka:** Sure, sure. That's fine. Also, like on the mix per se, so while you did 49% flats in the quarter, now that there will be higher volumes available from the new blast furnace from Q3, Q4 onwards. So, is it fair to assume that you will be doing like 55%, 60% flats maybe in H2 with the higher volumes incrementally being all flats maybe?
- Gautam Malhotra:** I think you've hit the nail on the head. Flats will go up, yes. I think that's something we've held throughout the journey as well.
- Amit Murarka:** Sure. Also, like this increase in flats would be going to which segments, because I see that the auto has actually been flat for you Q-o-Q, even though flat share has gone up?
- Gautam Malhotra:** What you have to understand is auto has got very long cycles of approval and even plant approvals as well as product approvals. So auto as a segment will take a little bit of time as we get on. By the way, we are getting into yellow goods in a bigger way. Auto is also coming up. But you have to give time to auto. It's a longer cycle, that's all.
- Amit Murarka:** So, it will go into construction and engineering and those segments, is it? I mean, in the meanwhile.

- Gautam Malhotra:** Yes. In the shorter term, that's how you would look at it. If you want to draw a longer curve, yes, you will see the auto cycle coming up as well.
- Moderator:** The next question is from the line of Parthiv Jhonsa from Anand Rathi.
- Parthiv Jhonsa:** Sir, I think I lost you in between on the capex. What's your second half capex, if you had just declared it out? Just wanted to get that number?
- Gautam Malhotra:** Sunil ji, do you want to come back on this?
- Sunil Agrawal:** Can you repeat your question?
- Parthiv Jhonsa:** Sir, what is the second half capex?
- Sunil Agrawal:** H1 number is INR4,925 crores. H2, we are planning, as we have already given the guidance of INR7,000 crores to INR9,000 crores. So similar numbers, we are expecting that we'll incur in the H2.
- Parthiv Jhonsa:** Okay, Sir. Sir, my second question was pertaining to the Australian subsidiary, right, where I think Sir said that there are no meaningful numbers which are happening there. You are carrying a substantial loss on the books. Just want to understand your understanding that you are treating it as a going concern.
- I just want to understand that INR10,700 crores kind of a cumulative loss on that book, how are you going to treat it going forward? Is this subsidiary going to yield some returns? Because if you see, the losses have kept on mounting. I think in the first half, you have done almost INR600 crores, INR700 crores of loss, if I'm not mistaken. So, I just want to get your understanding on that?
- Sunil Agrawal:** So let me explain. In last year, we have already impaired this asset. So right now, we are having assets value of around \$187 million, so which is represented by true value, that we have got assessment done by independent valuer. So, the value that we are carrying in the books is representative of true value as valued by independent valuer. That I can say. So, whatever you are seeing is already impaired in our books.
- Parthiv Jhonsa:** No. So, \$187 million of asset you are carrying on the books, but that's against the accumulated loss of over 1.1 billion, 1.2 billion. So, are you confident of this subsidiary picking up volume going forward or business going forward? What exactly is your understanding there?
- Sunil Agrawal:** So basically, as I have already spoken, whatever value that we are representing, that is land value there, that we have already there. So that land value represents the value of \$187 million that I have spoken. So, all our loss that we have incurred there has already been written off in the books.
- Pankaj Malhan:** Parthiv, if you look at it the other way around, we invested, there is a loss. We have impaired those assets.

- Moderator:** The next question is from the line of Rajesh Ravi from HDFC Securities.
- Rajesh Ravi:** Sir, I wanted to ask, we have achieved 73% odd value-added share, which is almost all-time high. And now that even flat mix will improve here on with the new facilities. How are we looking at the margin profile for the 2 segments? And primarily, I want to understand that when you say value-added product, are they only based on the application basis or from a margin perspective, the value-added products carry a higher margin profile?
- Gautam Malhotra:** Sushil, do you want to dive into this?
- S.K. Pradhan:** Can you repeat the question, please? My line got disturbed.
- Rajesh Ravi:** Yes, I'll repeat the question. I wanted to understand when you say value-added product, how do you define them from a margin? Do they also carry a margin perspective or it's more about the application or industry where they apply to given that we are now 73% value-added product share and now even our flat share is expected to go up from 40%, 45%?
- S.K. Pradhan:** Right. So, we define it both ways. One is on the application side, which are the critical applications like high strength steel or low alloy high strength steel, that type of steel, or then segment specific as well like defence or, let's say, windmill applications and those types of applications, both way.
- But then the important thing is that as the criticality of the application decreases or the criticality of the steel increases, so the value increases. So, we check it in both terms, in terms of how it gives us the contribution per hour or the value per hour and also in terms of the application.
- So, we have some defined parameters based on this. We decide what is value-added steel. And that's consistent. So, when we say 58% to 72%, 73% journey, it's based on those.
- Rajesh Ravi:** How would that be driving your margin profile? This is what I wanted to understand.
- S.K. Pradhan:** That would need a much more detailed dive. So, if you can get that separately, because that will need a lot of explanation, right?
- Rajesh Ravi:** No, that's okay. We'll certainly discuss this separately. Yeah, my just thought was if the prices are soft and if the margins of the value-added product and the flat mix is improving, can we expect most of the impact of the soft prices countered by that?
- S.K. Pradhan:** Certainly.
- Moderator:** The next question is from the line of Vikash Singh from ICICI Securities Limited.
- Vikash Singh:** Sir, I have just 2 questions. Firstly, you mentioned the AI. So just wanted to understand what kind of the cost savings we have actually incurred or expected to incur through that AI thing, which you have talked about?

- Gautam Malhotra:** I think it's too early to talk about the cost savings coming from AI. We actually are doing a lot of stuff on it, a lot of interesting stuff. We're working on efficiency, as I said. We're working on productivity. We're working on safety across our shop floors.
- That's a very important parameter for us. Apart from that, we're also introducing Gen AI tools for all our senior and mid-level executives to be able to capitalize where all the information is available at the tap of a button. So, I think all those factors over a period of time will reflect, but it's, I think, too early in the journey to start putting a dollar value to it.
- Vikash Singh:** Noted. And Sir, second question regarding our presentation. So, if I look at the Slide Number 4, there is still a mismatch between liquid steel versus finished steel. So just wanted to understand your view that by what time do you think that this mismatch would get nullified basically?
- Gautam Malhotra:** Which mismatch, are you talking about 12.6 and 13.25.
- Vikash Singh:** 12.6 versus 13.25. So, we would still be making less finished steel, right? Because the similar kind of bottlenecks we have experienced in the last 3 years and had not been able to achieve even 8 million tonnes of steel despite talking about 10 million, 10.5 million tonnes of steel capacity?
- Gautam Malhotra:** See, if you apply the yield factor on it, the numbers would be close to this. Plus, we have other things also, other sales also that we can do.
- Moderator:** The next question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** So, on acceptances, I see that the number was, I think, close to INR3,000 crores in March. And right now, the number that you gave is almost INR5,000 crores. So, it's gone up by almost INR2,000 crores. So, what would be the reason for higher acceptances given that coking coal has actually gone down and your production volumes have also been flattish actually during this period?
- Sunil Agrawal:** So, Amit, this is basically, so since we have started new facility, so for the working capital requirement there, for procuring the coking coal, all these LCs have been used for that purpose. So, this is for the new facility that we have started, majorly.
- Amit Murarka:** But generally, like what is the policy that you would follow for acceptances generally, like how does it work? If you could just explain that a bit?
- Sunil Agrawal:** So basically, this is for imported coal that we procure from international market. You know coking coal is basically imported from outside, internationally. So, we have to open the LC at the right time and cycle time is much more, around 45 to 60 days. So, for all these reasons, this quantum increased.
- Amit Murarka:** Yes. What I meant to ask is, is there like a number of days kind of a thing which you have in mind when you kind of do this acceptances arrangement?

- Sunil Agrawal:** 45 to 60 days cycle time is there for procurement of coking coal.
- Moderator:** Ladies and gentlemen, due to time constraints, this was the last question for today. I now hand the conference over to management for closing comments. Thank you, and over to you.
- Gautam Malhotra:** Thank you, everyone, for your questions. FY26 is a landmark year for Jindal Steel. This quarter, we achieved 2 major milestones with the commissioning of the second blast furnace as well as the BOF 2 at Angul, significant steps that strengthen our growth journey and reinforce Angul's position as a world-class steelmaking hub. The rest of the facilities are on track for commissioning as per schedule.
- As we move ahead, our focus remains on operational excellence, value creation and sustainability, along with Industry 4.0 and AI, ensuring that our growth is both responsible and resilient. We appreciate the confidence our stakeholders have in us and look forward to building on this momentum to deliver consistent value-driven growth ahead. Thank you.
- Moderator:** Thank you, Sir. On behalf of Jindal Steel, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.