February 5, 2026

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 JANUARY 31, 2026

This is in furtherance to our letter dated January 28, 2026, 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 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)

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Encl.: as above

"Jindal Steel Limited Q3FY26 Earnings Conference Call"

'January 31, 2026'

MANAGEMENT:	**MR. GAUTAM MALHOTRA – CHIEF EXECUTIVE OFFICER** **MR. SABYASACHI BANDYOPADHYAY – WHOLE-TIME DIRECTOR** **MR. PANKAJ MALHAN – EXECUTIVE DIRECTOR (ANGUL)** **MR. DAMODAR MITTAL – WHOLE-TIME DIRECTOR** **MR. SUNIL AGRAWAL – CHIEF FINANCIAL OFFICER** **MR. SUSHIL PRADHAN – EVP (HEAD OF FLAT PRODUCTS)** **MR. VISHAL CHANDAK – HEAD (INVESTOR RELATIONS AND STRATEGIC FINANCE)**
MODERATOR:	**MR. PRATEEK SINGH – IIFL CAPITAL SERVICE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Jindal Steel Limited Q3FY26 Earnings Conference Call hosted by IIFL Capital Service Limited.

As a reminder, all participants' lines will be in 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 '*', then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Prateek Singh from IIFL Capital. Thank you and over to you, sir.

Prateek Singh: Thank you. Good afternoon everyone and welcome to the Q3FY26 Earnings Call of Jindal Steel Limited.

Without further ado, I will now hand over the call to Mr. Vishal Chandak – Head, Investor Relations and Strategic Finance, to introduce the Management attendees and take it forward. Over to you, Vishal.

Vishal Chandak: Hi, Prateek. Thank you very much. Thank you very much, ladies and gentlemen, and I appreciate you coming over the weekend. I once again welcome you to the Q3FY26 Earnings Briefing of Jindal Steel.

We have with us senior management of the Company, Mr. Gautam Malhotra – CEO; Mr. Sabyasachi Bandyopadhyay - Whole-Time Director; Mr. Pankaj Malhan - Executive Director, Angul; Mr. Sunil Agrawal - CFO, Mr. Damodar Mittal - Whole-Time Director and Mr. Sushil Pradhan - Head, Flat Products.

I request all the participants to ask questions which are strategic in nature and for any factual related queries, we are always there to help you out.

Without much ado, I will hand over the floor to our CEO, Mr. Gautam Malhotra. Over to you, Gautam sir.

Gautam Malhotra: Thank you, Vishal. Good afternoon, ladies and gentlemen. Welcome to Jindal Steel's Third Quarter FY26 Earnings Briefing. I appreciate it is a Saturday afternoon, so sincere thank you for finding the time to join us.

From a macro perspective, let me start by touching upon the supply-demand imbalance in the Chinese steel industry, which clearly has an impact on global markets, including India. The downtrend in Chinese steel demand continues to outpace the decline in domestic steel production, resulting in record exports of 119 million tons in calendar year 2025. This level of low-price exports has prompted several countries to impose tariff and non-tariff barriers to curb the impact of Chinese steel imports on the local markets.

Focusing on India's performance during the quarter:

Crude steel production rose 2% quarter-on-quarter to 42.5 million tons in Q3FY26, whilst demand increased only by 0.5% quarter-on-quarter to 40.7 million tons. Trade dynamics improved materially, exports increased 30% to 2.5 million tons and imports reduced by 36% to 1.6 million tons sequentially. Consequently, India turned a net steel exporter again in Q3FY26 for the first time after 6 quarters, with net exports of 0.8 million tons. On trade measures, following the DGTR's recommendation, the Ministry of Finance has notified a definitive safeguard duty on select steel imports for a period of 3 years on ad valorem basis, with step-down rates of 12% in year 1, 11.5% in year 2 and 11% in year 3, ending on 20th April 2028. During the quarter, domestic steel prices in India corrected on the back of weak demand. HRC prices remained under pressure due to weak Chinese steel prices, whilst TMT prices reflected subdued construction activities. However, prices have recovered since mid-December 2025 after prolonged correction and we further expect support in Q4 with improving overall demand dynamics.

Coming to Jindal Steel business update:

On projects, we operationalized SBPP Module 1 of 525 MW during the third quarter of FY26. We are happy to report that we have also synchronized SBPP Module 2 of 525 MW again with a grid in January'26. With this, we have achieved yet another major milestone of turning around 1,050 MW power plant that we have acquired under the IBC. We are also pleased to report that we have commissioned CCL1 with a capacity of 0.2 million tons per annum in January'26. This broadens our product portfolio and supports further margin enhancement going forward. We have opened the Utkal B1 mine and overburden removal is currently underway. The 3 million tons per annum basic oxygen furnace 3 at Angul remains on track for commissioning by Q4FY26. And upon commissioning, we will reach 15.6 million tons of steelmaking capacity. All other projects are progressing as planned and remain on track for commissioning within the scheduled timelines.

Coming to the financial results:

Total production in Q3FY26 increased 25% quarter-on-quarter to 2.51 million tons. This was supported by two factors. Firstly, the ramp-up of the BF2 and BOF2 facilities at Angul. Secondly, our newly commissioned Bhagavati Subhadrika Blast Furnace-II achieved capacity utilization of 48% in Q3FY26 with an exit run rate of 58% utilization. Sales volume rose 22% quarter-on-quarter to 2.28 million tons driven by higher production. Consolidated Q3FY26 gross revenue increased 12% quarter-on-quarter to INR 15,172 crores driven by higher sales volume, but partly offset by weaker steel prices. Consolidated adjusted EBITDA for the quarter was Rs. 1,593 crores translating to a margin of 10.5% and EBITDA per ton of Rs. 6,981. However, this includes the one-time BF2 start-up cost of INR 350 crores and if we take this non-recurring expense out, the underlying business EBITDA for the quarter is higher by Rs. 1,535 per ton, taking the EBITDA per ton to Rs. 8,516 for the quarter.

Consolidated PAT for the quarter post the one-time start-up cost was INR 189 crores. Our blended steel NSR was down by about Rs. 3,000 per ton on a sequential basis as the incremental volumes were skewed toward HRC which carried the lowest realizations and margins in our product basket. Within HRC, our sales emphasis was on high-throughput, productivity-driven segments and sizes rather than lower-volume value-added trades. The shift in product mix further compressed the ASP. In addition, our by-product revenues did not grow in line with our steel revenue as the coke oven plant was commissioned towards the mid of Q3FY26. Further, the lower by-product sales and other operating income also contributed to the drop in ASP on a quarter-on-quarter basis due to the increased captive consumption. On the cost front, during the Q2 Earnings Call, we guided for an increase of $3-$5 per ton in coking coal for Q3. Our actual coal consumption cost during the quarter increased by $2 per ton. During the quarter, BF2 ramp-up was executed using higher-cost bought-out coke at a higher coke rate resulting in higher operating costs.

With the commissioning of an additional coke oven battery in November'25, coke costs are expected to normalize and the BF2 coke rate has already begun to stabilize. Supported by improving steel realizations, we expect a meaningful improvement in performance in Q4 compared to Q3. On the CAPEX front, we invested Rs. 2,076 crores during the quarter. With this, a cumulative CAPEX under the current expansion program up to 31st December 2025 is Rs. 32,925 crores as against a total announced CAPEX of Rs. 47,043 crores. We are investing in our long-term growth, creating assets that will support India's infrastructure build-out. Our investments are not limited to adding new capacity, but also include strengthening our existing portfolio of assets. This will ensure best-in-class capacity utilization, improved asset reliability and higher profitability in times to come. This financial year marks an inflection point in our transformational journey to build world-class assets.

Coming to the debt profile:

Consolidated net debt as on 31st December 2025 was Rs. 15,443 crores up Rs. 1,287 crores sequentially. Accordingly, net debt to EBITDA was at 1.72x times at the end of Q3FY26. This is primarily a reflection of lower EBITDA and our CAPEX commitments on the commissioning of several facilities. We are excited about the ramping up of production and the incremental revenues and cash flows are expected to lower our net debt to EBITDA to sub-1.5x levels. At Jindal Steel, AI and digitalization are core to our operations, driving productivity, efficiency and resilience at scale. We are executing a multi-year enterprise-wide AI transformation focused on throughput improvement, cost efficiency, faster decision-making and margin expansion.

Moving beyond pilots to scale deployments now:

AI-led enterprise intelligence is embedded across sales, dispatch, logistics and CXO decision support, delivering real-time visibility and actionable insights. Sustainability is at the core of what we do each day at Jindal Steel. With that in mind, I am pleased to share that in our first year of ESG assessment and disclosure, Jindal Steel has been included in the S&P Global Sustainability Yearbook 2026. Out of nearly 8,500 companies assessed, we are among a select group recognized for this prestigious inclusion, an endorsement of our disciplined ESG execution, which remains central to our strategy.

We have also been awarded an India-Sweden Industry Transition Partnership Feasibility Project to evaluate a CO2-neutral steel production facility, reinforcing expertise in decarbonization and commitment to sustainable growth. These sustainability acknowledgements and digitalization efforts are the culmination of all the dedicated work being done by the Jindal Steel team across India, and this is something that we are very proud of and keen to build on going forward. For Q4FY26, we expect coal consumption costs to rise by $18-$20 per ton sequentially. Iron ore costs increased further in Jan. Domestic steel prices are currently higher by about Rs. 3,000-Rs. 3,500 per ton as compared to December'25. And we expect prices to remain supported in Q4FY26 on the back of strong demand and strong tailwinds.

With that, I will 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 Vikash Singh from ICICI Securities. Please go ahead.

Vikash Singh: Good afternoon, sir, and thank you for the opportunity. Sir, my first question is towards the realization impact, which you are talking about only Rs. 3,000. But if we just calculate on the average side, the drop is much higher, almost Rs. 5,500-Rs. 6,000. So, how much is because of the product deterioration and what else we are missing in here?

Gautam Malhotra: So, as I mentioned in my opening statement, we did ramp up our capacities with low margin products, and it was mainly skewed towards HRC. And as we are actually ramping up, when we were on a lower output on a hot strip mill, we were actually producing low productivity, thinner grades, and with very high value add, and the margins were higher at that time. As we are ramping up, actually, thickness levels are increasing, our productivity is increasing. So, the realization per ton over there is lower, although we are producing much more. Also, roughly about Rs. 3,000 is on account of NSR. The by-product sales were lower. We have actually increased the captive consumption of most of our by-products as our steel production is increasing, and the balance is coming from that. As our capacities ramp up, we do expect that all our by-products will be consumed completely internally. Thank you.

Vikash Singh: So, effectively, on an average, our blended realization would increase lower than what the market is because of the byproduct credit would not be available. Is that assumption correct?

Gautam Malhotra: Yes, but our cost will also come down. And overall, if you see, as our capacities ramp up, our EBITDA is actually accretive in that nature. We will actually keep on adding to EBITDA.

Vikash Singh: Noted, sir. Sir, my second question pertains to our cost savings exercises, like slurry pipeline, coal mines coming, versus the product wise deterioration. Would those cost savings, as per your internal estimates are good enough to cover for the product-mix deterioration, or would we see for the next one and a half year, our overall product mix would continue to deteriorate from current point of view?

Gautam Malhotra: See, I think using the word deterioration would not be correct over here. That is a strong word. You understand Quarter 3 was a tough quarter for the entire industry. And if you look at the overall realization, HRC was the most affected out of all the products. So, overall, as we move up and realizations have also started increasing, NSRs have also increased. So, there is no deterioration in the product mix. Rather, our portfolio, as we have maintained over a period of time, is getting more balanced towards 50% flats and 50% longs. I think that is a great diversification and provides a lot of strength to the Company in times to go forward.

Vikash Singh: So, just to answer my question, would that the cost savings be able to cover for this change in product mix?

Gautam Malhotra: Yes, definitely. You will see that in the time to come as our results come out.

Vikash Singh: So, deterioration, basically, we were a little bit baffled because some of the peer groups having higher weightage on the flat side had less decline in their average realizations. So, we are still a little bit unsure about how our product mix has changed.

Gautam Malhotra: I will explain to you again, two things. Our portfolio has a larger portion of longs, especially TMT, and that was actually hit more in terms of the realization drop from the previous quarters. Secondly, as I explained, when we were on a lower production on our HRC, we were actually making more value-add products because we had limited steel. Now, as we are moving towards higher output on HRC, we are actually producing lesser of those grades. We are actually producing more of the thicker sections to get the higher productivity and thereby more EBITDA. So, that is why you see the difference between our peers and us, if that explains it.

Vikash Singh: Noted, sir. Thank you. That is all from my side.

Moderator: Thank you. The next question is from the line of Parthiv from Anand Rathi. Please go ahead.

Parthiv: Hi. Good afternoon. Thanks for the opportunity. Just quickly continuing the previous question forward, one of your peers, who have already declared the result, their share of exports has actually increased at a time when people who were actually front-loading, especially to a lot of these geographies where there will be a lot of restrictions due to CBAM, especially in EU. However, your share of exports has gone down to, I think, 6%. That is number one. And also, just quickly to check, if you are making thicker HRC and lower value-added product, wouldn't it make more sense to shift it back towards higher value-added product to get that benefit of something over and above your regular blended realizations? Because this is actually impacting your ASP to a great extent.

Gautam Malhotra: So, I will answer the first part of the question. You mentioned about exports. As you look at the markets in the last quarter, the exports realization were actually lower than the domestic market, even further down. And we actually managed to penetrate the Indian market with our expanded production and make space for ourselves in a market which was not expanding itself. That actually shows great strength in the Jindal Steel brand and our capability to penetrate these markets in tough times as well. What I was talking about was the ramp-up phase. I do agree with you. And your point is a very valid one. As we ramp up towards full capacities, first target will be capacity utilization. And once we reach very high numbers of utilization is when we start screwing the portfolio back again towards value-added profiles more and more. So, I hope that answers both parts of your question.

Parthiv: Sure. But just quickly, because you said you actually expanded your market share eventually, right? Because you were able to capture higher share in the domestic market, but was this at a cost of compromise in your margin?

Gautam Malhotra: No, actually, compared to exports, our margins in domestic were higher.

Parthiv: No, not compared to exports, sir. Purely on the domestic front, even if you see HRC was down about Rs. 2,500-2,800, your longs were down about Rs. 700-800 bucks.

Gautam Malhotra: We select competitive prices in the market. We didn't take any large discounting to get into the market, to get market share if that is your question.

Parthiv: That actually answers. Sir, my second question was on debt level. If you see one of your slides, slide 20, your debts in Q3 are at multi-year high, even higher than FY22 levels. And even if you see your leverage is quite high at 1.72x, where we appreciate you giving out a guidance of 1.5x threshold, just wanted to get your understanding with your capacity still ramping up, your newer capacity also coming up in Q4, which will also have some kind of startup cost associated somewhere or the other. What is your exit run rate of leverage or net debt expected in the current financial year?

Gautam Malhotra: So, I think, firstly, we should appreciate this is a very good leverage level overall. Even looking at the industry, it is a very healthy leverage level. If you look at our debt-to-equity ratios also, they also remain very healthy. Yes, we are at a point where we are coming out of a very tough market cycle, which is for the industry. And at the same time, we actually are at the culmination of our project phase in these two quarters, Quarter 3 and Quarter 4. Now, these factors combined have pushed it up to 1.72x net debt to EBITDA, which you are looking at. But overall, as I said, as we stabilize, ramp up over the next 2-3 quarters, you will see it coming back in line to what we have always guided, 1.5x times through the cycle. And we remain committed to that.

Parthiv: So, any number on the exit run rate for debt?

Gautam Malhotra: No, I think I have given you the overall picture as it is panning out.

Parthiv: Sure. And just, again, just circling back to my very first question, because I think your flat to long is right now 50-50. Whereas it was supposed to, flats was expected to be much better off at 60%-65% going forward. So, is that timeline or is that runway still intact to take your flats to about 60%-65%? Or what is your understanding on that?

Sushil Pradhan: Yes. So, good afternoon. I am Sushil Pradhan. I am Head of Flat Products in Jindal Steel. See, in Q3, our flat to long ratio was almost equal, 50-50. And that is because we saw a major decline in flat product rather than long product. So, we maintained our product ratio, shifted more towards long in the quarter. But going forward, we expect a gradual shift towards flat and as demand from flat product and prices for flat product is rising and demand from automotive appliances and all these segments is gradually moving up. So, accordingly, this mix is expected to go up in flat. I think in Q4, we see a shift towards 55-45, more towards flat, flat 55%, long 45%.

Gautam Malhotra: Hi, this is Gautam. I just wanted to add, please understand and we are at a very big inflection point in our journey in Jindal Steel. There is a large capacity coming in. There is huge ramp-ups happening. And whilst we are going through the cycle, we have actually maintained a very healthy balance sheet picture overall. So, this is a very interesting year for us. We are at an inflection point. It is actually leading up to some very exciting times coming ahead as these capacities start throwing out EBITDA and cash flow.

Parthiv: Perfect. That is actually quite helpful. Thank you so much, sir.

Moderator: Thank you. The next question is from the line of Amit Murarka from Axis Capital. Please go ahead.

Amit Murarka: Yes. Hi. Good afternoon. Thanks for the opportunity. So, on the power capacity expansion, just wanted to understand, like, now that you will be excess, I believe, power capacity, would you be kind of looking to ramp up those capacities and maybe sell more merchant power or it will be purely used for steel operations?

Gautam Malhotra: At the moment, as I mentioned, our first unit is under stabilization and the second unit has just been commissioned and we are going to be stabilizing it over the next 2-3 months. Whilst that happens, our capacities will continue to ramp up. We have another 3 million tons coming up and associated downstream coming up. So, in the near-term future, we will be actually, as we ramp up all sides of the capacity and the whole facility, we will be consuming a large portion of it internally at the moment.

Amit Murarka: And just a question on your mix. So, while, as you mentioned, that in the initial phase, possibly the mix could be a bit weak, but by when do you think, like, in terms of maybe quarters or year, kind of be able to get into a more value-added mix portfolio on the expanded capacity also?

Gautam Malhotra: See, I want to actually come away from these words of deterioration and weak, when I do say that we shifted a higher productivity order book, our value-added profile still remains at 66% and that is very high. What we are comparing that to is 71% in Q2. So, that is where we are coming from. That is a very high value-added percentage in our product portfolio. So, I don't think it is weak from any perspective. It is just that we are in a ramp-up phase. We are making a market entry into a product and we are capitalizing on all opportunities that come our way.

Amit Murarka: No, by weak, I think you mentioned that you had almost like a Rs. 1,000 additional hit to realization because of the shift in the mix. So, I was referring more to that. So, when can you get the Rs. 1,000 back in that sense?

Gautam Malhotra: So, as we speak, the markets have already rebounded and I did mention, I think in the opening statement itself that today we are working at about Rs. 3,000-Rs. 3,500 higher than where we were towards the end of the last quarter. As we move ahead, you will see our value-added profile start inching back towards 70%. So, I am not reading too much into this Rs. 1,000 differential and that differential is more as a comparison from Q2 to Q3 in our books versus what is happening in the peers books. I am more interested in how we coming out of the situation as we move forward. The more interesting bit will be ramping up our capacities, increasing the utilization, getting the EBITDA in and the higher cash flows.

Amit Murarka: Sure, Gautam. Thanks a lot. And this is the last question. So, you say that in this quarter you consumed your by-products internally, which was also an additional hit to realization, so what were those by-products, if you could explain that a bit? Like, is it pellets or what would those by-products be?

Gautam Malhotra: You have got it. It is pretty much that. But please also understand that you are seeing at the ASP level the hit, but at EBITDA level the hits are not anything material or not significant.

Amit Murarka: Got it. Thanks a lot.

Moderator: Thank you. The next question is from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia: Yes. Good afternoon and thank you for the chance. I have two set of questions. First on the expansion plans. Now, we shared that our next BOF is on track for fourth quarter. So, I want to understand when is the associated metallic capacity coming and what is the plan to use this BOF in FY27, given the lack of metallics? And in general, just the strategy of commissioning this ahead of metallic capacity?

Gautam Malhotra: So, we are talking about the current capex cycle. You are right. BOF will be commissioned in this quarter. Anything going forward, we will be guiding in the next quarter on how we are panning out on that. At the moment, we are very focused on commissioning all the current projects and realizing revenue, EBITDA and cash flow from this.

Sumangal Nevatia: Yes. So, I just want to understand what is the plan to use this BOF in FY27 in absence of metallic capacity?

Gautam Malhotra: We will be able to use about 60%-66% of this capacity in FY27 as well.

Sumangal Nevatia: So, the associated DRI or BF, I think it is DRI, so when is that being planned to commission?

Gautam Malhotra: I think we have spoken in one of the earlier calls that we are targeting FY27 end for that and we are sticking to that.

Sumangal Nevatia: So, even without that, we are looking at 60% utilization for this BOF?

Gautam Malhotra: Yes. FY27.

Sumangal Nevatia: And sir, with respect to slurry pipeline, just want to understand what are the reasons for the delay? We still see only 94% complete. And what sort of contribution will this have in FY27 in terms of actual slurry transfer and cost saving?

Gautam Malhotra: So, see, one thing we have to understand, slurry pipeline is never an easy project and it has a lot of regulatory and other hurdles that you have to go over and basically ground level hurdles as well. We have maintained the guidance for the end of this financial year for the slurry pipeline and we are on track for that. As far as the savings, etc., I think we are very fairly comfortable to say that we will be able to go towards Rs. 750-Rs. 850 a ton on that.

Sumangal Nevatia: Sir, my next question is on the sales volume guidance. We just 2 months left for the year. So, where are we with respect to our 8.5-9 million tons guidance for sales volume this year? Can you give some more further color on this?

Gautam Malhotra: We are actually on track to get the guidance that we have already given you.

Sumangal Nevatia: And just one last question on the margins. So, given that we have seen in 3 quarters, a deterioration of almost 16,000 to 7,000. Just want to understand, this ramp up and startup cost, has this been going as per plan? Was this anticipated or there has been some negative surprises? Because it is quite difficult to appreciate Rs. 350 crores of startup cost. We have not seen that in other companies and looks like, just want to get some more grip and understanding on this?

Gautam Malhotra: So, there are two things. I don't like going on what peers are doing. Everybody is good in their area. But there are two points over here. We have been fairly open and transparent about how we are going about our business. And we have maintained that over a period of time and we intend to continue doing that. Coming to the second part of your question. Yes, a large part of it when you are ramping up a facility, especially a blast furnace, it is not immediate that you get down to your capacity utilization numbers or your coke rate. It takes a little bit of time. And that was anticipated. Nevertheless, I don't think we are in a position to say that we didn't receive any surprises. Yes, there were surprises along the way. But I think I must say kudos to our team, which has been able to counter those surprises and ensure that as we sit today, we are at a very high capacity utilization number with industry standard coke rate and operational parameters. So, I think they have done a brilliant job of coming on track on a furnace of this size in 2 to 2.5 months.

Sumangal Nevatia: And if I may just ask one question, just to understand what is the base level of profitability for us to kind of have a better forecasting capability, what is the contribution of these byproduct sales, say in FY25 or say H1FY26 so that we just get to some base level of profitability from where we can kind of forecast future earnings?

Gautam Malhotra: I think there are a lot of things in your question. It has got a lot of years spanning it. And there is some forecasting as well. So, in the interest of time, I think I am asking Vishal to take it offline. If you can connect with him and he can help you with that.

Sumangal Nevatia: Sure. I will connect with Vishal. Thank you and all the best.

Gautam Malhotra: Thanks a lot.

Moderator: Thank you. The next question is from the line of Jashandeep Singh Chadha from Nomura. Please go ahead.

Jashandeep Singh Chadha: Hello. I hope I am audible and thank you for the opportunity. Most of my interesting questions have been taken by my peers. So, I will start with how much, so I see that you have a commissioned coal mine as well. There is one iron ore mine also has been commissioned. With that and global coal prices going up, what sort of impact do you think will hit the Company in fourth quarter, if we can start with this?

Gautam Malhotra: Sorry, I didn't understand. Can you please repeat the question?

Jashandeep Singh Chadha: Yes, sir. So, I just wanted to understand the input cost escalation that we might see in fourth quarter for Jindal Steel?

Gautam Malhotra: I don't think we are expecting any input cost escalation in the fourth quarter. There is only one thing which I think I have given in the opening statement is on the coking coal prices. But if you see the market has more than commensurate increase, so I think there is no material input cost escalation that we are going to see apart from that.

Jashandeep Singh Chadha: So, largely what I can understand is you are expecting a flattish input cost. Is my understanding right, sir?

Gautam Malhotra: Apart from coking coal, yes, nothing there.

Jashandeep Singh Chadha: Nice. Second question is largely from FY27. I understand you have given guidance for FY26 and you are on track on maintaining that guidance. I also understand companies are at inflection point and the ramping up capacity is not that easy. From that perspective, how do you see FY27 panning out in terms of production and volume? If you can give some sense on that, that would be great?

Gautam Malhotra: I think, I will pick on one thing you said at the beginning of your question. We are at an inflection point. Yes, I did say that. And please understand we are maintaining a guideline, a guidance given in a year where we are commissioning capacities, ramping them up and sustaining our guidance. So, I think I must, even on this platform, congratulate our team for being able to do that, at least be on track for that towards the end of the year. In terms of FY27, I think we will be coming out very soon. We are in the process of finalizing our business plans for the year. And as soon as we do that, I think at the end of the next quarter, we will be coming back to you and giving you guidance for that.

Jashandeep Singh Chadha: Understood. Just one last question. Compared to when you initially announced this first phase of expansion sometime in FY22, early FY23. And now, since you are at the end of most of the Phase 1 expansion, how much of the CAPEX that you earlier envisioned and now, which you have realized, how much has been the CAPEX cost increased because of the various surprises that you faced, various challenges and delays? So, what sort of CAPEX increase would have been there?

Gautam Malhotra: I think there have been no material project cost overruns. I think over the years, there have been a lot of projects that have been added into the scope rather than any major cost overruns. I think if you go back in time, 2-3 quarters back, we did talk a lot about it and I think it should be available. Otherwise, you can connect offline with Vishal if you need further help.

Jashandeep Singh Chadha: Sure, definitely. I will connect with Vishal and thank you so much. I will join back the queue for my further questions.

Moderator: Thank you. The next question is from the line of Rahul Gupta from Morgan Stanley. Please go ahead.

Rahul Gupta: Yes. Hi. Thank you for taking my questions. I have two questions. One, sorry for getting back on the steel prices question. You said that the steel prices are up by around Rs. 3,000-Rs. 3,500 versus quarter end. And given trajectory for realization has been worse than how steel prices fared in third quarter, is it fair to say that if steel prices remain where they are, you would see a much better trend in realization versus this Rs. 3,000-Rs. 3,500?

Sushil Pradhan: Can you kindly repeat your question, please?

Rahul Gupta: Sir, what I am asking is that steel prices, as you said have increased by Rs. 3,000-Rs. 3,500 versus quarter end. But in the third quarter, your realization trends were weaker than how steel prices fared. So, is it fair to say now that your blast furnace ramp up and HSM capability will ramp up, your realization trends will be much better than the steel prices trend of Rs. 3,000-Rs. 3,500?

Gautam Malhotra: Yes, you are right. And they will be in line with the industry. And I think if you are referring to that incremental thing, which you have been referring to, that won't be there. We have realized more than that and will be in line with industry trends as we move forward.

Rahul Gupta: Got it. My second question is more medium term and strategic. Now that you are ramping up flat capacity, over the past couple of years, you have strategically moved away from export market and focused on the domestic market. And now that EU prices are supposed to move up on back of CBAM, is it fair to say that you would be actively looking at the European market from here over the next 2-3 years?

Sushil Pradhan: As you have seen in the past, we are predominantly producing material for the domestic industry with a very strategic focus in the external market. And you are right, our major market has been European market for plates. Now with HSM coming in, also the prime focus will be on European market, but that will be around 5%-10% range only.

Rahul Gupta: Got it. Thank you so much. Wish you all the best.

Sushil Pradhan: Thank you.

Moderator: Thank you. The next question is from the line of Tushar Chaudhari from Prabhudas Lilladher Private Limited. Please go ahead.

Tushar Chaudhari: Good afternoon, sir. And thanks a lot for the chance. Sir, I have missed a few numbers from your initial opening remarks. Rs. 350 crores you said for one-time blast furnace startup cost. And there was Rs. 189 crores, that was regarding?

Gautam Malhotra: PAT is Rs. 189 crores for the quarter.

Tushar Chaudhari: Okay. For the flat products now we have with all the new setup, we have all the approvals from OEMs like autos and consumer durables for next few years, from next few quarters, we will start improving our product mix?

Sushil Pradhan: Yes. We already commenced supplies to auto and engineering industry and we have necessary approval from this industry. But then since our flat product capacity is more plates and HR, so it will be more into commercial vehicle segment, earth moving segment and yellow good segment, more of it will go into that. And we have all the necessary approvals from all these segments. And we already started supplying to the segments.

Tushar Chaudhari: And now, by next quarter, we will be finishing BOF3 also. When we will be in a position to announce next phase of CAPEX? Basically, our long-term plan is to take Angul towards 25 million tonnes. So, any color on that?

Gautam Malhotra: So, we are very focused on increasing our utilization on these assets, increasing our EBITDA margins and increasing our cash flow, reducing our debt to our previous guidances given for the cycle. And at the moment, that is our focus. And we remain committed to that. As and when we make any expansion plans in times to come, we will definitely make sure that we keep you updated.

Tushar Chaudhari: Thanks a lot. And best of luck, sir.

Moderator: Thank you. The next question is from the line of Pallav Aggarwal from Antique Stock Broking. Please go ahead.

Pallav Aggarwal: Yes. Good afternoon, sir. So, I had a question on coking coal prices. So, we have seen the spot prices going up to $250 levels. So, do you think it is more of a seasonal uptake? And probably we should see a correction because if they sustain at this level, then it would have a push-up in cost in the first quarter of FY27. And that would probably offset most of the increase in steel prices. So, just wanted your thoughts on that?

Gautam Malhotra: See, these are transient in nature and seasonal impacts that you see here and there, not any mid-term or long-term impacts that you are talking about, those one-off sharp corrections or uptakes. Apart from that, I think on a lot of things, we also have a long-term arrangement as well and we benefit from those as well.

Pallav Aggarwal: Sir, how much would part of our coking coal be coming from Mozambique and South Africa mines? Any proportion from there?

Gautam Malhotra: About 15%-20%.

Pallav Aggarwal: Sure. Also you mentioned that cost probably in fourth quarter, apart from coking coal, should be flat or similar. But any benefits from the captive power or Utkal mine opening up so that can come in?

Gautam Malhotra: See, the mines have just been opened up and we are already coming to the near, middle of the quarter. To realize any meaningful gains in this quarter, I would refrain from. But yes, in time to come, we will definitely see benefits.

Pallav Aggarwal: Sure. Thank you so much.

Moderator: Thank you. The next question is from the line of Ashish Kejriwal from Nuvama Wealth Management. Please go ahead.

Ashish Kejriwal: Yes. Hi. Thank you for the opportunity. First of all, many congratulations for successfully ramping up faster than expected your blast furnace as well as BOF capacity. That is commendable. Sir, my question is on the cost part as well as realization. If you look at, you have clearly mentioned about Rs. 350 crores of startup cost, which could be regarded as one off. But if you can just be more detailed into that or what could be that, whether it is one you have said higher coke consumption as well as the coke ratio and what else is there? And what do you think that this number could be there in fourth quarter or have we stabilized by December in this? That is my first question?

Gautam Malhotra: The largest portion of that number is on account of coke, because it is bought out coke at a higher cost. It is a little bit inferior quality to what we produce in-house. And obviously, when you start a furnace, it is too much technical detail and you can, I think, connect offline with Vishal. But it is a standard process of starting up a furnace and stabilizing it. I do acknowledge your remark for commending our team for the faster ramp up than expected. Yes, I do acknowledge that. Thank you for commending the team. And to answer the last part of the question, yes, we have stabilized and we are at normal industry standard productivity, KPIs and especially profit.

Ashish Kejriwal: Sir that means that Q3, when we are talking about roughly Rs. 7,000 per ton EBITDA, I think we can begin with Rs. 8,500 per ton EBITDA because this is largely over. Is that assumption right?

Vishal Chandak: So, Ashish, Vishal here. We actually refrain from giving guidances on EBITDA on a sequential basis. But I understand where you are coming from. If you look at, as sir mentioned, about Rs. 350 crores is the one-off, which will obviously not recur. And steel prices have moved up and so has also the cost. By and large, our understanding is that Q4 should be a much stronger quarter both in terms of volumes as well as in terms of profitability.

Ashish Kejriwal: Vishal, we are not asking about Q4 guidance. I am just asking the base case that when we are saying it is one-off, that means we can say, Rs. 8,500 could be the EBITDA for this?

Gautam Malhotra: So, math is correct. I think Vishal gave you a good answer, but your math is correct.

Ashish Kejriwal: That is okay. Second thing is when we are talking about realization improvement, Rs. 3,000-Rs. 3,500 higher, are we taking into consideration the improved product mix also? When I am saying improved product mix, that maybe in third quarter because of the initial stage, we have given some of base grade HRC. But now with this improvement, ideally, our overall realization for fourth quarter should be higher than that of the industry because third quarter was much lower than the industry standard?

Gautam Malhotra: The numbers that I mentioned for the increased realization are as a scenario right now. I think we are only at the beginning of the quarter. I did mention in one of my earlier answers that you will see us at industry levels in this quarter. And as we keep ramping up and improving our capabilities, we will see us beating those numbers again as in the past.

Ashish Kejriwal: And lastly, is it possible to share non-steel sales revenue in this quarter versus last quarter? Because I understand as you rightly pointed out that lower by-product sales does not affect our EBITDA. But at least on the topline, if you get a sense of how much was the non-steel sales revenue in this quarter versus last quarter, that will be very helpful. Thank you.

Gautam Malhotra: So, I think Vishal can help you offline with that. If that helps, you can connect with him.

Ashish Kejriwal: Sure, we will do that. Thank you so much and all the best.

Gautam Malhotra: Thanks a lot.

Moderator: Thank you. The next question is from the line of Siddharth Gadekar from Equirus. Please go ahead.

Siddharth Gadekar: Hi, sir. So, just first again on the one-off cost. Just a suggestion here that when we give our adjusted EBITDA in the presentation, can we include the numbers because every quarter we have a different adjusted EBITDA and on the call also, we have a different one-off expenses every quarter in the EBITDA. So, it becomes very confusing to understand what is the actual EBITDA per ton? Sir, secondly, in terms of our downstream, what all capacities are left to commission over the next 2 years?

Vishal Chandak: Siddharth, this is Vishal here. Coming to the second question, over the next 2 years, the downstream capacities are largely commissioned except for CCL2 and CGL2. Thereafter, we have pellet plant 2 and DRI2 as the key capacities. If there are any more lines that we plan, we will come back to you. Out of the two Q&T furnaces, we have already commissioned one of them.

Gautam Malhotra: But I think he was asking 2 years. It is not 2 years. All these capacities are being commissioned as we speak. They are in the final stages of commissioning. It is not 2 years. It is only DRI2 and pellet plant 2 which I mentioned earlier in one of my questions, is slated for FY27 end.

Moderator: Thank you. The next question is from the line of Kamlesh Bagmar from Lotus Asset Management. Please go ahead.

Kamlesh Bagmar: Yes. Thanks for the opportunity. Sir, I just wanted to get a sense on the product mix going forward. Because over the last, like say, prior to this commissioning, we had the benefit of having a Rail mill, then your MLSM mill. Those all benefits were there, RUBM. So, going forward, don't you think that our earning would grow primarily because of the volumes and with a lower margins. So, what is your sense on that? Because it is like, say, during the call, the questions have been asked that our margins, which was Rs. 15,000 in Q1 has fallen down to Rs. 8,500 odd, adjusted basis. So, but going forward, like say, now we would be having the benefit of the volumes, but our margins would be lesser as compared to the historical levels. Because if you see in your, like say, HRC, many of the capacities are coming up, be it Tata Steel or like say, AMNS is coming with a big capacity. So, do you think that now going forward, the play would be on the higher absolute EBITDA rather than much richer margins as compared to the historical levels?

Gautam Malhotra: First part of your question, we actually don't move away from a rail or MLSM or structure capability.

Kamlesh Bagmar: I am not saying that you have moved away. I am saying that the share of those products or the volumes have now come down significantly because of these, like say, flat-based capacities coming in. Because even if I see quarter-on-quarter, your product mix has, like say, 49% flat, has gone up to 50%. And the HRC mill was commissioned a year ago. So, now we are saying that we have sold, let us say, HR. So, it really doesn't digest with the margins or the realization fall which we are talking in this quarter?

Gautam Malhotra: So, I will complete my answer. So, it is not that we have gone away from those. They remain the core part of our portfolio. And as we speak, we actually keep working on ways to increase those facilities output as well. Apart from that, the second part of your question is, yes, will these other products increase in our portfolio and our product mix? Yes, they will. But along with that, I think Vishal did mention that we have also added heat treatment furnaces. So, those will add capability to our flat portfolio for higher realizations, higher value add. Apart from that, as I did mention in one of my earlier questions on the opening statement, that we have just penetrated the market on a higher volume in this quarter. As we move ahead, our value add percentages and value add products will keep growing and the realizations will be back on track. So, I don't see anything in the mid to long term future that is of any concern at the moment.

Moderator: Thank you. The next question is from the line of Raashi from Citi. Please go ahead.

Raashi: Thank you. First question is on your cost. Sir, you indicated that there was startup cost and coking coal costs were also higher. So, optically, it does appear on a sequential basis that the costs are lower. So, one of course is the volume benefit. And I would imagine lesser value addition. Is there anything else to read into?

Gautam Malhotra: I think you have broadly covered it. You have got it pretty much on the wall.

Raashi: So, going forward, we basically expect a reversal of the startup cost. And then we expect higher coking coal prices simplistically?

Gautam Malhotra: Yes. But please also understand that our coke output is increasing because we have commissioned the batteries. And as I did mention that our coke is better quality than what we end up buying from the market. So, we get some offset gains from that side. And obviously, high utilizations will also give us some gains in our cost portfolio. So, those gains will also be there.

Raashi: Got it. Secondly, when you indicated that spot realizations are about Rs. 3,000-Rs. 3,500 higher than the December quarter. So, you are talking about what you are kind of billing at this point in time, right on a blended basis, given products mix everything put together?

Gautam Malhotra: Yes. This is the difference in the realization between where the last part of Q3 was and where we are today.

Raashi: Got it. And for the full year, the CAPEX that you had given, you are still holding on to that? No change in CAPEX targets for 2026, 2027, 2028?

Gautam Malhotra: No, nothing. No change.

Raashi: Got it. And one last question for me. How did the inventory move sequentially?

Gautam Malhotra: How does what? Sorry?

Raashi: How did the inventory move sequentially?

Gautam Malhotra: Marginally increased during the quarter. But as we speak, it has been unbound as well. There is nothing material in there.

Raashi: Thank you.

Gautam Malhotra: Thank you.

Moderator: Thank you. The next question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah: Hi, sir. A couple of questions. First is a clarification. When we give guidance of sales volumes, should we presume that it is excluding any metallics purchase, be it for this fiscal or next fiscal?

Gautam Malhotra: Yes, there is no metallics purchase.

Ritesh Shah: And would it be possible for you to provide a timeline for the next SMS?

Gautam Malhotra: We have given a guidance already that it is one of the best quarters and we are well on track for that.

Ritesh Shah: Second is, can you indicate coking coal on a consumption cost basis? How much will the increase be from Q3 to Q4? I am sorry, if I missed that.

Gautam Malhotra: About $18-$20 per ton.

Ritesh Shah: That is helpful. Just a few more questions. Sir, how do we plan on the evacuation specifically, also, if you could highlight how critical is the Paradip port over here, given Angul in east? I am not very sure. You did indicate that we have the approvals to supply for HRC, given the scope of our capacity is very large. How do we plan to sell and evacuate? Some color over here would be quite useful?

Gautam Malhotra: Are you talking about evacuation from our plants?

Ritesh Shah: From Angul, post expansion.

Gautam Malhotra: I think whatever we are producing, we have been able to evacuate. We have the infrastructure and the capability for that.

Ritesh Shah: So, this includes any incremental rail lines, or is it all ready, there is no problem at all on evacuation?

Gautam Malhotra: No problem.

Ritesh Shah: And how critical is the Paradip port? Because in earlier calls, we have emphasized about it. How does that fit in overall scale of things?

Gautam Malhotra: See, I think if you are coming from this expansion phase that we are talking about, and you were talking about Angul, Paradip port does not impact anything for Angul capacity expansion, ramp-up, etc. Paradip port is a very strategic thing and it is a longer term play. And it is a benefit that we will be able to derive for our import and export in times to come. But if you are coming back to the specific Angul ramp-up, there is no effect of Paradip and nor did we envisage anything like that.

Ritesh Shah: Perfect. Just to follow up clarification questions. Sir, how should we look at Jindal Panther expansion? I think this is the one with the cement entity. I am not sure whether it is linked with the listed Jindal Steel entity. That is one clarification. And second, I presume there would be some transfer of slag from the listed entity to this very entity. If you could highlight some color on how the transfer pricing mechanism is?

Sunil Agrawal: So, this is Sunil Agrawal from Jindal Steel. So, basically, Jindal Panther has nothing linked with the Jindal Steel. It is a separate company, and we are independent of Jindal Panther.

Ritesh Shah: And on slag?

Sunil Agrawal: Slag, we will be giving at the transfer pricing as per the standard norms, if we supply to them on long term basis.

Ritesh Shah: And just last one. Sir, would you just clarify that the Thyssen bid with Jindal International has basically the listed entity is completely ring-fenced from it?

Sunil Agrawal: Yes, you are right.

Ritesh Shah: Thank you so much for the answers.

Sunil Agrawal: Thank you.

Moderator: Thank you. The next question is from the line of Rajesh Majumdar from 361 Capital. Please go ahead.

Rajesh Majumdar: Yes, good afternoon, sir and thanks for the opportunity. So, I had only one question, actually two, but related. Out of our total capacity of 15 million tons, what is the proportion that will go to the auto industry? That was the first question?

Sushil Pradhan: It will be around 3%.

Rajesh Majumdar: Only 3%?

Sushil Pradhan: Yes, because we are literally flat hot rolled. So, we don't have CRCA or related products which mostly go into auto. So, it will be somewhere around 3%.

Rajesh Majumdar: So, the second question is actually less relevant, but I will still ask it in the sense that we have seen a lot of headwinds for the auto manufacturers and Maruti also in the call actually listed the increase in the steel prices. So, there is a chance of a rollback there. So, do you think that the auto HRC prices will come off a little bit from the negotiated levels? Yes, that is it.

Sushil Pradhan: No, I won't be able to comment on that.

Rajesh Majumdar: Yeah. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand over the conference to management for closing comments. Over to you, sir.

Gautam Malhotra: Thank you. Q3FY26 was a challenging quarter. Despite the sharp decline in steel prices and muted demand, we delivered record production and sales volumes. We also commissioned several key projects, most notably synchronizing the 1050 megawatt SBPP with the grid. The ramp up of our newly commissioned BF2 and BOF2 facilities is in full swing and is progressively strengthening our operating profile. We expect the fourth quarter FY26 to be a stronger quarter, supported by a higher opening volume, improved pricing and better underlying steel demand. Industry 4.0 and AI remain central to our transformation agenda, enhancing reliability, productivity and real-time operational control across the value chain. Our key projects are progressing as planned and remain on track for commissioning as per schedule. Going forward, we will continue to prioritize safe and stable operations, disciplined value creation and sustainability to deliver value-accretive growth. I once again thank you for your time on this Saturday afternoon. Have a good day and have a good weekend. Thank you.

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