

"JSW Steel Limited Q2 FY-26 Earnings Conference Call"

October 17, 2025





MANAGEMENT: Mr. Jayant Acharya – Joint MD & CEO

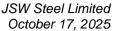
Mr. G.S. Rathore – Whole-time Director & COO

Mr. Arun Maheshwari – Director (Commercial & Marketing)

Mr. Swayam Saurabh - CFO

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Moderator:

Ladies and gentlemen, good day, and welcome to the JSW Steel Limited Q2 FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashwin Bajaj – Group Head of Investor Relations. Thank you, and over to you, sir.

Ashwin Bajaj:

Yes. Thank you, operator, and a very good evening, ladies and gentlemen. Welcome to JSW Steel's Earnings Call for Q2 FY 2026.

We have with us today the Management Team represented by Mr. Jayant Acharya – Joint Managing Director and CEO; Mr. G.S. Rathore – Chief Operating Officer; Mr. Arun Maheshwari – Director of Commercial and Marketing; and Mr. Swayam Saurabh – CFO.

We will start off with opening remarks by Mr. Acharya and then open the floor to questions.

So, with that, over to you Mr. Acharya.

Jayant Acharya:

So, very good evening, everyone. Global growth, as we have all seen continues to be fairly resilient, even in the light of ongoing challenges which we are observing on the geopolitical side as well as on the trade side.

The IMF has made a marginal upgrade to its global forecast for 2025 to 3.2% compared to its previous estimate from July, while keeping its 2026 forecast unchanged at 3.1%.

Although the tariff hikes were less severe for many countries than initially anticipated, the broader slowdown is still being driven by ongoing uncertainties which continue to dampen business sentiment and investment decisions across markets. On the positive side, we have seen some improvement in the Middle East towards a peaceful resolution.

Meanwhile, India continues to stand out as the fastest-growing major economy and the RBI has raised its FY26 forecast to 6.8%. While the ongoing global tariff scenario and geopolitical challenges are headwinds, the recent fiscal and monetary measures such as GST rate rationalisation, easing of lending norms will bolster domestic growth.

Rural prospects remain encouraging, supported by above normal monsoons, higher khariff, sowing, robust tractor and FMCG sales, although rainfall has been uneven in some of the regions. Inflation has also been benign and that has opened up room for further easing by RBI.



India steel demand stayed strong in the second quarter, rising 8.9% YoY on the back of continual government capital spending and steady consumption across key sectors. Crude steel production in Quarter 2 rose by 13.8%.

While domestic demand continues to be healthy, a QoQ spike in imports has kept India a net importer. Additionally, the DGTR has recommended extending the safeguard duty for 3 more years at gradually reducing rates of 12%, 11.5% and 11%, respectively. The DGTR has also proposed imposing antidumping duty on hot rolled coils from Vietnam and CRNO from China.

Steel production in China during Jan-August fell by 2.8% YoY or approximately 20 million tonnes. However, exports have continued to remain elevated, growing 18% in Jan-August CY25.

Manufacturing continues to remain strong in China supported by the auto sector, but real estate has been weak, leading to lower steel consumption. The anti-involution measures and the Steel Industry Work Plan of 2025-26 issued in end-August is a positive for the industry at large, suggesting further thrust on production and capacity control.

Let's talk a bit about our sustainability and digitalisation initiatives:

I am happy to share with you that we have commissioned India's first green hydrogen electrolyser, a 25 MW facility capable of producing 3,800 tonnes of green hydrogen per year. It is a major milestone in our sustainability journey and a proud moment for all of us. The green hydrogen will feed into our DRI plant at Vijayanagar and will help reduce GHG emission.

We continue to progress on increasing our renewable energy capacity. We have commissioned 885 MW of renewable energy, and a total of 2.5 GW generation and 320 MWh battery storage has been approved, which is on its way during the coming years.

As we continue to innovate, we are also integrating advanced AI capabilities to enhance productivity, sustainability and deliver long-term value from smart sales and marketing tools, quality monitoring and manufacturing to safety systems and AI-driven HR processes, we are embedding AI into our core operations. This is helping us to improve our efficiency, reduce our downtime, enhance our safety and deliver a better experience for both our customers and employees.

On the growth strategy, we remain quite focused on discipline as we expand our capacities. At JVML-Vijayanagar, our 5 million tonnes expansion is fully commissioned now with the second converter starting in August and is ramping up well. The 3 million tonnes BF-3 at Vijayanagar has been shut down in end of September for relining and capacity enhancement to 4.5 million tonnes. This upgrade will take about 150 days and should return to operations in February 2026.

The Phase-III expansion at Dolvi from 10 to 15 million tonnes is progressing well as planned, with the timeline of September 2027 completion. The ongoing expansions will take our India capacity from the current 34.2 million tonnes to 41.9 million tonnes by September 2027.



The Board has now approved to set up a project of 1 million tonnes based on EAF in Kadapa Andhra Pradesh by end of FY29. The plant will incorporate a section mill to produce structural steel, widely used in construction and infrastructure as construction transitions to becoming more steel intensive. The site has the potential for further expansion and with possible iron ore availability in Andhra Pradesh, this site has potential for further growth. This project will take our India capacity to 42.9 million tonnes by FY29.

Along with steelmaking, we continue to strengthen our VASP portfolio and capacities, aiming to keep our value-added and special products share in our total sales by over 50%. In August, we announced that we will expand our CRGO electrical steel capacity at the Nashik plant from 50,000 to 250,000 tonnes per annum and the planned Vijayanagar facility to have a capacity of 100,000 tonnes per annum from 62,000 tonnes envisaged earlier.

The Board has also approved a 1 million tonnes section mill at Raigad plant for making structural steel. We are also upgrading our facilities at Salem to produce higher volume for steel bearings and high-end niche grade steel.

With the new section mills at Raigad and then at Kadapa, the company is strategically entering the structural steel segment to support the growing demand for modern construction solutions, with a focus on delivering high-quality, durable and sustainable products.

Our total planned Capex for the period from H2 FY26 and extending over the next 3.5 years is approximately Rs.69,000 crores. We will spend approximately Rs.20,000 crores per year as we had initially outlined, which will be funded primarily through internal accruals. We will keep updating you on our progress on the Capex as we go into this financial year ending.

In the case of BPSL, I am happy to share that on September 26, 2025, the Supreme Court dismissed the appeals filed by the former promoters and certain operational creditors. The court upheld the NCLAT 2021 order, which had approved JSW Steel's resolution plan for BPSL. The court has also acknowledged the substantial efforts made by JSW Steel in resolving and turning around BPSL into a profit-making company.

If we look at our raw material security, we continue to strengthen that piece through a well-diversified portfolio of iron ore and coking coal assets. Currently, we are operating 12 iron ore mines, 9 in Karnataka and 3 in Odisha, providing long-term iron ore supply and enabling us to reduce our logistics cost. 3 new mines in Karnataka are expected to start in Quarter 1 of FY27, which will together produce approximately 4 million tonnes.

In Goa, where we had won 3 mines, mining activities are scheduled to begin at Cudnem site in Quarter 3 FY26. While operations at Surla and Codli mines are expected to start in H2 of FY27. These 3 mines together are expected to contribute approximately 3.7 million tonnes of iron ore.



We have further 2 exploration blocks each in Maharashtra and Andhra Pradesh, which will come online in subsequent years. On the coking coal front, as you are aware, we have secured 3 mines in Jharkhand and linkages from Coal India. This will become operational progressively over the next 2 to 3 years, as we have outlined earlier, with usable coking coal between 3.2 to 3.5 million tonnes.

Additionally, we have acquired a 20% stake in the Illawarra coking coal asset in Australia in September and have been receiving offtake of 20% of its production since then. Recently, an opportunity came up to increase our stake by another 10%, which will now take our holding to 30%.

We are also in the process of acquiring Minas de Revuboe Project in Mozambique, ensuring access to high-quality coking coal and reinforcing our raw material self-sufficiency, especially on the PLV high-grade coking coal category. We expect this acquisition to close in the current financial year.

Let me now walk you through the operational performance for the quarter. We have reported strong operational performance amid ongoing uncertainties which we have faced globally. Our consolidated crude steel production in Quarter 2 was the highest ever at 7.9 million tonnes and grew by 17% YoY and 9% QoQ. We also reported the highest Quarter 2 consolidated steel sales at 7.34 million tonnes, up 20% YoY and 10% QoQ, despite a prolonged monsoon, supported by a healthy domestic demand.

Our Indian operations delivered the highest ever production at 7.66 million tonnes, up 16% YoY and second highest ever sales of 7.07 million tonnes, up 19% YoY. This was driven by ramp-up of JVML and BPSL post expansion and the Dolvi facility operating at optimum capacity post shutdown.

Domestic sales at 6.33 million tonnes were up 14% YoY and were the second highest ever in a seasonally weak quarter, outpacing the Indian demand growth of 8.9%. Our VASP sales were the highest at 4.31 million tonnes, up 20% YoY and 10% QoQ, constituting 64% of our total sales. In Quarter 2, we had registered the highest ever sales to automotive. Sales to Renewable Energy segment grew by 35% and we also registered highest ever sales in the Cold Rolled and Long Product segments.

Our overseas operations operated at higher capacity utilisation, delivering improved volumes. Our inventory levels have increased in Quarter 2 due to monsoon season and because of the inventory buildup ahead of the shutdown of BF-3 in Vijayanagar for expansion. We are well positioned to meet expected demand in a seasonally stronger second half of the financial year.

Let us now shift a little bit of a focus to financials. The consolidated revenue from operations at Rs.45,152 crores, with adjusted operating EBITDA of Rs.7,849 crores, reflected an EBITDA per tonne of Rs.10,701, with a margin of 17.4%. The adjusted EBITDA excluded unrealised



forex gains and losses on long-term borrowings. The adjusted operating EBITDA better reflects our operating performance. The reported operating EBITDA stands at Rs.7,115 crores.

During the quarter, steel prices declined, which impacted realisations. This was offset by a better product mix, lower operating costs, driven by better efficiencies and operating leverage. Coking coal costs were down by about USD6, in line with our guidance.

Our coking coal and iron ore specific consumption also improved on better volumes. The energy costs were lower, both in terms of specific consumption and price due to higher renewable energy getting commissioned in the last quarter.

Our Indian operations delivered a total EBITDA of Rs.7,614 crores, with an EBITDA per tonne of Rs.10,768 and an operating margin of 18.1%. Our subsidiary, especially the Coated business performed well. The U.S. operations delivered USD12.2 million of operating EBITDA. This was lower, primarily due to a spillover of shipments of certain pipe orders at the plate and pipe mill in Quarter 3.

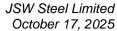
Italian operations delivered an EBITDA of EUR5.6 million on higher sales of rails. Consolidated EBITDA for overseas operations stood at Rs.241 crores, unrealised forex losses to the extent of Rs.734 crores impacted overall profitability during the quarter.

Our consolidated PAT stood at Rs.1,646 crores compared to Rs.404 crores in Quarter 2 of FY25. Net debt at Rs.79,153 crores was lower sequentially, despite a Rs.2,100 crores impact due to forex movement. Our revenue acceptances stood at USD2.35 billion. We spent Capex of Rs.3,135 crores in Quarter 2 and a total of Rs.6,535 crores in H1 of this year.

Moving on to JSW One, our digital marketplace. JSW One is changing the game for MSMEs in manufacturing and construction by making it easier to access materials, credit and services through our digital marketplace. We had a strong quarter with Rs.3,950 crores of GMV in Quarter 2, which is a solid 43% jump compared to last year. What's even more exciting is that about Rs.1,100 crores of that came from our credit offerings. We also raised Rs.575 crores in our second round of external funding, which will help us scale our B2B e-commerce journey faster.

As we conclude, I would like to mention that India steel consumption outlook remains strong, underpinned by supportive fiscal and monetary policies despite ongoing global challenges. The recent GST cuts are very positive and are expected to lift consumer sentiment and give a boost to demand across key sectors and also ultimately drive private Capex as companies achieve higher utilisation. Steel demand is projected to grow by 8% to 9% in this financial year.

As we move into the second half of FY26, we expect domestic demand to be seasonally strong. With the tailwind of government and private Capex, both likely to improve in the second half.





Historically, the second half has been stronger for steel consumption and the potential rate cut by RBI could further boost investment and spending.

On the global front, export trends will need close monitoring as they continue to pose challenges for the steel market. For JSW Steel, we remain optimistic about a strong second half, backed by improving steel prices and higher production volumes from our assets.

We would be happy to take questions, which you have. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Sumangal Nevatia from Kotak Securities. Please go ahead.

Sumangal Nevatia:

Yes. Good evening, everyone. Thank you for the chance. Sir, my first question is on the prices. Over the last few months, we have seen domestic prices being at a discount to import parity after a long time. So, want to understand what are the key reasons behind this because the demand data continues to be decent. And post that, if you could share what is our expectation of prices? And when do we see normalisation of some parity as far as imported prices are concerned, returning to the market? Thanks.

Jayant Acharya:

Yes. So, the prices have been softer in a seasonally weak quarter. I think post the monsoons in September, we have seen price stability. Going forward, I would expect the prices to improve in November-December of this quarter.

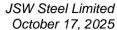
You are right that the prices are currently at a discount to imported numbers. The capacities which have come in have been lumpy, and external headwinds have impacted sentiments to some extent apart from a weaker seasonal quarter. So, I would say that while exports need to be watched because of tariff measures being undertaken by various countries, we also need to watch out for imports, which can come in because of that into India. That actually impacts sentiments to some extent. However, we are optimistic that in a seasonally stronger second half, we will see improvement in prices.

Sumangal Nevatia:

Understood sir. Sir, can you share what is the expectation with respect to the raw material prices, both iron ore and coking coal in the coming quarter? And also with respect to the slurry pipeline, which quarter are we expecting the commissioning? And what sort of volume and cost benefits do we expect with the commissioning of it?

Arun Maheshwari:

Hi, I am Arun. Regarding iron ore prices, it has been quite on the downward trend now if you see within India as well. We have seen two corrections in the last 1 month happening in the eastern part of India. And we see that this correction may continue because there has been a decent supplies happening. At the same time, the raw material stocks are reasonably okay on the user industry. So, this is one reason why we think that iron ore prices should be slightly on the lower side.





On the coking coal front, there has been slight uptick we had seen in the international market, but then it doesn't look like to be having a very long range. Small corrections are likely to be here and there. Most likely it should be remaining rangebound, within what it is happening, maybe a couple of dollars here and there. So, we don't see a very large swing in these coking coal prices as well.

Jayant Acharya: In this quarter, because of a slight change in the PLV, we may see up to USD3 to USD5 increase

in our coking coal cost in October-December. That's the only other information.

Arun Maheshwari: And your question about slurry starting, as per the schedule, what we look at today, most likely

it will start in Q4 of FY27.

Sumangal Nevatia: Understood. Thank you and all the best.

Arun Maheshwari: Thank you.

Moderator: Thank you. Our next question comes from the line of Alok Deora from Motilal Oswal. Please

go ahead.

Alok Deora: Yes. Good evening. Just had a couple of questions. So, first is, actually, I missed that part. What's

the coking coal guidance for 3Q?

Jayant Acharya: USD3 to USD5 increase.

Alok Deora: Increase of USD3 to USD5, sure. And also, if you could highlight on the pricing part because

prices typically which rise after monsoon has not been rising. So, if you can just indicate how the demand scenario you are looking at, how much NSR we could be expecting in 3Q. Any incremental change in the NSR for 3Q, if you could just provide some sense on that and the

demand side. Thanks.

Jayant Acharya: Yes. So, the demand traction is positive. It goes to prove that in a seasonally weak quarter in

monsoons, we have been able to grow our domestic volume by 14% and the country itself has grown by 8.9%, which is a strong positive. Seasonally, H2 will be even better. So, therefore,

from a volume standpoint, I think we will continue to remain strong.

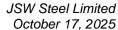
As far as prices is concerned, I think we are reasonably optimistic that the prices should move up in this quarter, maybe November-December. By and large, we see prices having stabilised

post the monsoon drops. So, that should play out into the second half of this financial year.

Alok Deora: Sure. Just one last question. You yourself have also mentioned imports have been pretty strong.

So, any colour on that? Because the imports were ideally expected to come down, post the safeguard duty, which has not really happened for a sustained period of time. So, just some

colour on that.





Jayant Acharya:

Yes. So, if you were to see on an absolute basis, your imports have come down. So, only thing is that in the last 2 months, imports have again shown an increase. Primarily, these are because of the tariff headwinds which we are seeing in the world, various countries are announcing different tariffs and that is resulting into some spillover for steel looking for a market, and India becomes a natural choice.

While our safeguard duties of 12% have been helpful in the first quarter, but I think part of that is already eroded. So, I think as we watch the tariff actions by others, I think we will probably have to monitor how that goes and accordingly look for measures, trade measures, which may be required to support any kind of dumping which may come in. Other than that, from an India perspective, I think we remain quite optimistic and quite strong in terms of our demand and our ability to meet that demand.

Alok Deora: Sure. Thank you so much. That's all from my side. All the best.

Moderator: Thank you. Our next question comes from the line of Prateek Singh from DAM Capital. Please

go ahead.

Prateek Singh: Hi. Thanks for the opportunity. The first question is a bit on the strategy side. So, last quarter, I

think we talked about the beneficiation plant in Andhra. Now we have announced a 1 million tonnes EAF plant. So, are we looking to do more investment into blast furnace in Andhra as

well?

Jayant Acharya: Blast furnace in?

Prateek Singh: Andhra. Andhra Pradesh.

Jayant Acharya: Blast furnace you are asking?

Prateek Singh: Yes.

Jayant Acharya: No, this particular facility as of now, which we have envisaged is through an electric arc furnace.

It's a 1 million tonnes structural steel facility. We are not envisaging a blast furnace at this point of time. We have scope for expansion, but that expansion may be upstream, or it may be also

addition of further capacities. We will see how that evolves. There is place for expansion.

Prateek Singh: Thanks. The second question is on captive ore. What was the volume in terms of production of

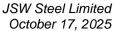
captive ore in this quarter? And what was the share of captive ore in our mix?

Jayant Acharya: The share of captive, we have approximately had, I think, close to 30% odd in the mix of iron

ore from our captive mines.

Prateek Singh: Okay. And just a quick one here. Any update on the royalty-on-royalty status? When is the next

hearing or when is the decision to be taken by the courts here?





Arun Maheshwari: No, it's a surprise. So, we are still awaiting the final outcome by the courts. And hopefully, by

the end of this month, we should be hearing something on it.

Prateek Singh: Okay. Thanks and all the best.

Jayant Acharya: Thank you.

Moderator: Thank you. Our next question is from the line of Indrajit Agarwal from CLSA. Please go ahead.

Indrajit Agarwal: Hi. Thank you for the opportunity. Just to understand the cash flow situation here on, you still

have about Rs.13,500 crores of Capex to be done in the second half. While we will see liquidation of working capital, do you think our debt has peaked in 2Q? Or we could see by end

of FY26 debt to rise further from here?

Swayam Saurabh: Hi this is Swayam here. Absolute debt would not be the right metrics to look at. You would have

noticed our net debt-to-EBITDA has come down to 2.97x. And we have been guiding also in the past that a number below 3x is something we will aim to maintain even in future. So, while for this year, absolute debt could go up or down. But what we are more positively looking forward

to is holding the net debt-to-EBITDA, the leverage ratios below 3x.

Indrajit Agarwal: Sure. And last question on NSR again. How was the NSR move from O1 to O2? And how does

spot compare to Q2 average?

Jayant Acharya: NSR has gone down in the second quarter as is reflected in our results by close to 5% or so.

Going into Q3, as I said, we expect the prices to improve in probably November and December

as we go into a seasonally stronger second half.

Indrajit Agarwal: Thank you.

Moderator: We have the next question from the line of Parthiv Jhonsa from Anand Rathi. Please go ahead.

Parthiv Jhonsa: Hi, sir. Thank you for the opportunity. Sir, my first question is pertaining to the Capex, which

you had actually given out in annual report, for the 4 million tonnes green steel at Salav, that has no mention apparently in the presentation. Is this a part of the pending Capex which will be

going forward from the 7.1 million tonnes? Is it a part of it?

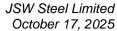
Jayant Acharya: Yes. So, no the Salav capacity expansion is a part of our journey of 50 million tonnes, which we

an eye on the CBAM ecosystem, which the European Union is likely to announce in the next 1 or 2 months, what systems have to be followed, etc. Once we have a little better clarity on that, we'll take a call. But from our preparedness perspective, Salav can be expanded very quickly

have declared. I think part of that 2 million tonnes was to come in, in this decade. We are keeping

being a brownfield facility. We can do that quite quickly with, as we said, with low carbon emission products. But however, we'll watch how the CBAM rules, which they outline, how

that unfolds and then take a view.





Parthiv Jhonsa: And sir, my second question is pertaining to iron ore. I believe you said that this quarter, your

captive was about 30-odd %. What do you expect for the second half?

Jayant Acharya: So, our mining operations, why it was lower was because the mining operations in Odisha,

volume had come down. We found, let's say, better priced products in the market, which we have used. Going forward, I think we have been in this range of 30% to 40% over the last quarters, if you observe, I think we will continue to be in this range as we see in the second half

as well.

Parthiv Jhonsa: And sir, if I may just squeeze in, I believe I actually skipped it. What do you expect the iron ore

prices to be in Quarter 3?

Jayant Acharya: We expect the iron ore prices to decline in Quarter 3, which should be positive for our cost. By

how much is difficult to assess. But I think some of the numbers are evident from the Odisha Mining Corporation tenders, which have just come out. I think they have also declared lower pricing. So, therefore, we are hopeful that lower pricing will be taken also by other producers in

the market.

Parthiv Jhonsa: Sure. Thank you so much.

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

ahead.

Amit Murarka: Hi. Thanks for the opportunity. So, I missed the comments in the earlier part of the call. But just

wanted to know if any guidance you are providing for Q3 realisations.

Jayant Acharya: So, on Q3, we have said that our pricing environment, we expect to improve over the November-

December months. The prices have currently stabilised post a weak monsoon quarter from a price point of view, but from a demand point of view, it was still good. So, therefore, now we

expect because the inventories in the channel are also low, the pricing should improve.

On the coking coal side, we said that we may have an increase of USD3 to USD5. We would try

to build in some efficiencies to mitigate that. On the iron ore, we said that we are expecting the prices to decline so therefore, that should be positive for the cost.

Amit Murarka: Right. Thank you. And generally, also, like we have been seeing local steel prices have been

going at a discount to import parity, even though there is safeguard duty in place. So, that's a bit

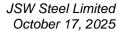
puzzling to see as to why is that so? Because usually, anyways, we trade at a 3% to 5% premium.

Jayant Acharya: No, you are right. Currently also we are operating at a discount to the international prices. Part

of that is because the seasonally weaker quarter usually reflects a lower price, especially in long products. And when the long product prices go down, what happens is that your billet prices,

your ingot, which starts producing also something from Patra, all those prices come under

pressure, and therefore, there's a sentimental impact on the overall pricing.





Second is the capacities which came in during the past 2, 3 quarters have been lumpy. So, from a production standpoint, therefore, you are seeing the production growth also reflecting that in India. But from an external side, I think the exports, while they have grown, there are challenges on the international front.

I think we are seeing, by and large, our capacities getting absorbed. Channel inventories now coming down. So, from a pricing environment point of view, I think we are reasonably optimistic that the price should improve in November, December going forward.

Amit Murarka: Right. And then just the last question. So, what's your understanding on this pending finance

ministry approval for the 3-year safeguard duty by when you think it can come through?

Jayant Acharya: The timeline is until November. I think by that time, we expect that to come in.

Amit Murarka: Okay. Thank you very much. A very happy Diwali to all of you.

Jayant Acharya: Happy Diwali to you.

Amit Murarka: Thank you.

Moderator: Thank you. Our next question comes from the line of Vikash Singh from ICICI Securities. Please

go ahead.

Vikas Singh: Thank you for the opportunity. Sir, I have just 1 question. The CBAM is going to be implemented

very soon, and we are the largest exporter. So, what is our strategy in order to maintain our

market share in the export market and probably gain from somebody else?

Jayant Acharya: As I said, we are watching the CBAM policies, which in terms of the guidelines are fully still

awaited. The only thing I would like to comment is that you have seen that 90% plus of our volumes have been in the domestic market. So, our focus on exports over the last few years have

moderated due to a strong growth in the domestic market.

Second is that our exposure, if you look at 30 to 32 million tonnes levels, which we are able to

do, for Europe is only about 2% to maybe 3%. So, therefore, to that extent, I think we will be able to find alternate markets, which should be able to take these quantities. But we'll have to

keep a watch on how the CBAM and the duty structure which Europe is proposing develops.

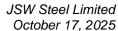
Vikas Singh: Thank you sir. That's all from my side.

Moderator: Our next question is from the line of Vibhav Zutshi from JPMorgan. Please go ahead.

Vibhav Zutshi: Yes. Hi. Thanks for the opportunity. Just wanted to get some more color on the iron ore sourcing

and captive mix because it's still coming down now from that 37-40% to 30% levels. And it

looks like the imports have also increased in the last few months. So, just to think as you expand



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your capacity at Dolvi, how to think about your captive mix versus domestic procurement and imports? It would be great to get some colour over the next few years.

Arun Maheshwari:

Well, iron ore sourcing has been always been very dynamic for us, because we have multi-locations plant and multi-location sourcing. So, while our captive mines continue to produce to the full level, and we source maximum whatever we can source from our own captive mines. That is the first priority.

Filling that bucket after that we get into the market. Now within the market, we have different grade requirements, different locations requirements. And basis that we define whether we have to go for domestic sourcing at that point of time, whether imports make sense because of the grade differentiations. So, it's a bit of a dynamic, giving a colour on that what is going to be the strategy for future, it's very difficult to say as of now.

But one thing is for sure, whatever our domestic mines are there, we continue to produce full from those mines, and we continue to consume whatever we produce from that. And balance everything we get it from Odisha or Chhattisgarh or domestic Karnataka or any shortfall we then recover it from imports otherwise.

Jayant Acharya:

So, we continue to evaluate opportunities with respect to economics, both domestically and internationally and then take a call.

Arun Maheshwari:

Yes.

Vibhav Zutshi:

Sure. Sure. Thanks. And just a follow-up. So, is it fair to say that for your Dolvi plant, which is on the West Coast, maybe imports makes a bit more sense economically versus getting it from Odisha?

Arun Maheshwari:

Not really, it depends upon what are the international market prices, what is the dollar exchange rate and at what point of time you take a call on those imports. It's quite a little bit of complicated exercise and not a simple math. So, value in use, the grade quality, the domestic grades. So, it's quite a mixed bag. But we keep evaluating it. It's a dynamic process.

Vibhav Zutshi:

Sure. Got it. And if you can just help quantify how much captive iron ore production is going to come in FY27 and FY28. You talked about Karnataka and Goa, but how much increase would happen if you could quantify that will be really helpful. Thank you.

Arun Maheshwari:

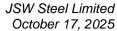
So, our captive total availability would be around 22 to 23 million tonnes for the full year, which constitutes about 36% of the total requirement, annualised basis, if I look at it.

Vibhav Zutshi:

Okay, this is for FY26?

Arun Maheshwari:

Yes.





Jayant Acharya: Yes.

Moderator: Thank you. Our next question comes from the line of Ashish Jain from Macquarie. Please go

ahead.

Ashish Jain: Sir, my first question is on CBAM. Like given the kind of growth we are seeing in India and the

numbers you mentioned in terms of how big Europe is as a market for us and even for India as a country. Is it something really which will drive our strategic decision like even for the expansion in the future? You touched upon CBAM as one of the things to watch out for. So,

how critical is the CBAM policy and its impact for broader India as a market in Europe?

Jayant Acharya: No. You are right from a strategic point of view, for us, domestic market is the focus. And I

think we are one of the fastest-growing from a demand perspective in the world. So, therefore, for us, our focus will be domestic. Europe, I think, over a period of time in terms of consumption

has also gone down.

CBAM is probably a way they are looking at to see how to balance the domestic market with

respect to supply and demand and to some extent, gives some support to the domestic producers. It is something which we are watching, because some of our customers historically have been

there, and we have been consistently supplying to them.

We will continue to monitor that and see the guidelines, how it works. If it makes economic

sense for us to look at exports to Europe, we would do accordingly because we have a set of products which can go there. But from a strategic point of view, your question whether it is

necessary, it may not be as critical because the percentage overall, in the equation is small. And

as our capacity goes up, the percentage actually is going to shrink.

Ashish Jain: Right, right. Sir, secondly, I think this question was asked earlier on the call. But in the...

Jayant Acharya: Sorry, one more small thing is when in case CBAM and all these duties, which Europe is

proposing to levy, if that were to come, actually, you would see also the pricing in the European

market go up. That's also something which you keep in mind. Sorry, you were asking a question.

Ashish Jain: Sir, just an extension of the first question itself. Like we don't know the answer to this, but do

you envisage a big risk to Indian imports going up if CBAM comes, CBAM plus the import

restrictions in Europe come in the form it is currently proposed?

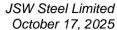
Jayant Acharya: So, it is still to be approved by the European Council and European Parliament. So, we'll see

how it goes. But see tariffs is probably become the way this year. It certainly does impact trade flows. And it may result in some of the steel knocking at our doors. So, as a country, we have to

be vigilant on this, and I am sure the government would take necessary measures as is required.

I think we have seen proof of that. We have seen safeguard although at a reduced level; we

would have preferred a higher number as we had outlined earlier.





But if there is a need, I think the government will step up. We are seeing antidumping investigations also now being tabled by them in response to our applications. So, from that perspective, we are reasonably confident that the government will continue to support the steel industry to see that the trade is fair and no dumping takes place.

Ashish Jain:

Sir, second is with the kind of EBITDA we are doing, let's say, Rs.6,500 crores, Rs.7,000 crores quarterly and I would believe with volume uptick there is upside risk to this. Should we think that our net debt in absolute terms has peaked out? I know in response to an earlier question, you said that net debt-to-EBITDA is a way to think about it, which I agree. But just if you can comment on net debt as well or it could go up meaningfully from here?

Jayant Acharya:

So, see, we have outlined our capacity expansion plan for you. We have said that we would like to be 50 million tonnes by the end of this decade, and we are moving towards that goal. You would have seen capacity expansion in our press release also, we have given something, some flavour I gave in my initial opening remarks as well. So, we are deploying growth capital into the market, which we feel is the right thing to do in a growing market like India.

While we do that, we maintain our eyes that we remain financially prudent. Ratios is one, I would say, metric for us to monitor that. So, net debt-to-EBITDA and net debt-to-equity is something which we closely monitor. And that is more important for us, from an absolute number it may vary a little bit here and there, depending on the quarters. But we would continue to monitor the ratios more keenly.

Swayam Saurabh:

Can I add something to that? So, this is Swayam here. Other than Capex, which we try and distribute as evenly as we can, there could be other reasons why net debt in absolute terms would move. For example, we have chosen to build inventories, knowing that BF-3 is going to go in a shutdown, and we are going into sort of Quarter 3, which is typically a good quarter from a volume perspective.

Now in this quarter, that has taken part of my debt, because that's sitting in the working capital. Going back to what Jayant said, the leverage ratio is a key reference for us internally as well because if EBITDA comes under pressure, we will take other actions so that we come within the acceptable range, internally targeted range of that leverage. Absolute, the debt temporarily can go up or come down, but it's the ratio which we are tracking very closely.

Jayant Acharya:

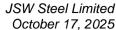
Also, as we said, because of the depreciation, actually, our debt went up by Rs.2,000-odd crores, which can actually reverse once the appreciation happens.

Swayam Saurabh:

So, this is the translation impact on the FX part of the debt in balance sheet, which will correct itself, but if dollar appreciates, the INR equivalent debt would look high. So, this also offtakes.

Ashish Jain:

Right. Right. Got it, sir. Thank you so much. Thanks a lot.





Moderator: Thank you. Our next question comes from the line of Satyadeep Jain from Ambit Capital. Please

go ahead.

Satyadeep Jain: Hi. Thank you. I am not sure if I missed some earlier commentary. I just wanted to ask about the

EAF in Kadapa. A, the timeline seems slightly longer? Is it maybe the gestation period for this project would be this long? And what led to this decision to look at Kadapa, was it maybe scrap availability? You are talking about structural steel replacing concrete. So, are you seeing certain demand trends, which are more favorable in that region. So, just around this Kadapa, just wanted

to understand the thought process.

Jayant Acharya: So, Kadapa, we have opted for an electric arc furnace technology to produce this 1 million

tonnes. We have access to, let's say, scrap, which could be sourced from the domestic market. We will be setting up our scrap processing centres in Chennai in addition to our scrap processing

centre in the west. So, that will align some part to this asset.

We also would be using some part of the iron ore available from Andhra Pradesh as we develop

the mining assets there. We had given you an indication earlier that we had formed a mining

joint venture, and there, we expect high-grade iron ore to also come out.

So, we are basically looking at this asset from the point of view of a structural steel facility with

iron ore, possibly in the vicinity this can be developed and expanded. Beams from this facility will have a lower carbon emission, because we would be using scrap as well, higher grades as

well. So, we could use this for the domestic and international markets.

Satyadeep Jain: And this location is just tied to source of raw material. In demand, you don't see anything maybe

pointing to more demand for structural steel in those markets?

Jayant Acharya: Structural steel demand, see, structural steel basically goes into the construction industry. Today,

as you see, in India, it's more aligned to cement-based construction. Slowly, you are going into the more steel-intensive construction. So, your beams, beam-based construction or plated-beam construction is a natural way to go. So, if you look at Andhra Pradesh, the entire state of Andhra Pradesh is looking at a lot of development. And therefore, I feel that it will be very appropriate for us to have an asset which can actually provide these construction products, which are required for that infrastructure development. Also, the Southern India overall as a market or the Western

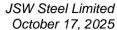
India overall as a market is quite large for these products.

Satyadeep Jain: And secondly, on this Capex, I wanted to understand you have this new project, you have some

other CRNO, some value-added products. But the main swing in Capex as the presentation is in FY29 compared to the earlier expectations you had of about Rs.20,000 crores, Rs.22,000 crores annual Capex for FY26, FY27, and FY28. There is no major change. The only delta is in FY29,

what explains that?

Jayant Acharya: I didn't understand your question.





Satyadeep Jain:

If you look at the earlier presentations you had, you were looking at Rs.76,000 crores of Capex. There is an increase of about Rs.10,000 crores of Capex. If you look at the annual bucket for Capex for the next FY26, FY27, FY28, and FY29, compared to the earlier expectations, there is not much change in FY26, FY27, FY28. The entire delta is in FY29. Just trying to understand, is there...

Jayant Acharya:

No. I think what you are looking at now from the presentation, I understand what you are asking now. It's basically an update of whatever Capex has been announced so far. So, as we announce new projects, this will get updated. So, you will see FY29, the numbers going up in terms of, as a matter of fact, FY28, FY29, FY30, you will see the Capex spend going up, FY27 even to some extent. So, as we said earlier, we are going to be expanding post our Dolvi Phase-III.

We have brownfield facilities in Vijayanagar, which we will take up. We have Salav. We have BPSL as a brownfield option in addition to Paradip which is a Greenfield site, which we are trying to do in a modular fashion. All these will basically lead to our target of 50 million tonnes, which we have guided this market with. As we announce these projects, these capacity spends for every year will keep on getting updated. This is only what you are seeing is announced up to now.

Satyadeep Jain:

Just trying to understand the annual Capex you are looking at, let's say, Rs.21,000 odd. Is there an upside because it doesn't seem to factor in some of these Kadapa and other expansions. There is no changes in Capex for...

Jayant Acharya:

Capex spend will increase as we go into the remaining few years of this decade. We have a plan for that.

Satyadeep Jain:

Thank you so much, and wish you a happy Diwali.

Jayant Acharya:

It will also be supported by additional generation of EBITDA from our JVML asset, which will play out fully in the next year. The expansion, which is now coming on stream with the BF-3 augmentation as also the Phase-III of Dolvi. So, the 7 million tonnes new capacities, which will kick in between now and September 2027 in addition to JVML, will provide us the necessary capital to be able to kickstart the growth story for the next phase.

Satyadeep Jain:

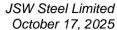
That's clear. Thank you so much.

Moderator:

Thank you. We have our next question from the line of Pallav Agarwal from Antique Stock Broking. Please go ahead.

Pallav Agarwal:

Yes. Good evening, sir. So, the first question was on iron ore. So, if I understood correctly, we are expecting probably a decline in Q3 iron ore costs. But I thought NMDC had announced an increase in iron ore prices. So, this decrease will come about, because we have an inventory or how would this come about?





Arun Maheshwari: No. Actually, the NMDC last prices, what we understand has been flat only. There has been no

increase. In fact, considering the overall market scenario and considering the OMC auction

results and the NMDC auction participation, we expect the prices to go down.

Jayant Acharya: NMDC had done a reduction earlier, post which they did an increase. And the way the prices

are moving now, I think we expect further reduction in the prices of iron ore, including from

NMDC.

Pallav Agarwal: Okay. And this will also be helped by maybe the logistics improving with more captive from

Karnataka that also versus Odisha? Will that also help in reducing the cost?

Arun Maheshwari: Yes, that's a continuous process. We keep evaluating at what we had said in the one of the earlier

conversations today, that we keep evaluating our total sourcing strategy, depending upon which

location, logistics cost and demand. Yes.

Pallav Agarwal: Sure, sir. Second, while the INR depreciation may have impacted on the translation front,

overall, I am guessing because of the increased pricing power, probably partly offset by higher coking coal cost, rupee depreciation would overall probably be positive for the P&L? Is that

understanding correct?

Swayam Saurabh: Yes. Good that you asked. So, any transaction which flows through our P&L, whether it is an

export revenue or whether it is an import of material is not translation. It's already part of the results. What has impacted is essentially our capital account exposure, which is debt. Even within debt which are denominated in non-INR, only the debt which are maturing beyond 12

months because anything rolling 12 months as a policy, we 100% cover.

So, for example, a debt, which has a maturity of FY29. When I consolidate, I have to report my

balance sheet in INR. That's the translation effect, which has affected because rupee has moved from 85.50 to 88.79. So, the conversion basically results in a translation effect. And as we have

explained, if we expect rupee to perhaps get stronger in quarters to come, once the trade

uncertainty gets settled and you would see reversal as well.

Pallav Agarwal: Yes. So, that point I understood. My point is that we also benefit from higher prices due to import

parity, right.

Swayam Saurabh: Absolutely.

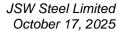
Pallav Agarwal: So, the exchange rate depreciation allows us probably to charge higher steel prices. So, net-net,

and partly offset by higher coking coal cost, which we import. So, overall, INR depreciation

despite the forex translation loss, would be overall on a net basis positive for the P&L?

Jayant Acharya: In principle, you are right. It should have been positive in terms of a pricing environment even

last quarter. But at times, it doesn't play out. But in principle, what you are saying is correct.





Pallav Agarwal: Sure, sir. Yes, okay. Thank you, sir.

Moderator: Thank you. Our next question is from the line of Tushar Chaudhari from Prabhudas Lilladher

Private Limited. Please go ahead.

Tushar Chaudhari: Good evening, sir. Congratulations on good set of numbers. So, wanted to understand GST

impact on our user industries. Are we seeing some green shoots from user industries over the last, let's say, 3 weeks, what industry volume growth do we expect in H2 and FY27? Because we have got enough capacities, we can obviously take away the market share. That was first.

Arun Maheshwari: Yes. So, regarding the GST impact, I think the market reaction is too early to say about it,

because there was a pent-up demand before that there was some blackout period where people were not buying fresh things and they were waiting for 22nd September for GST new rates to

kick in.

So, overall, it gives a positive sentiment to the market. We expect the consumption drive on the white goods sector and the automobile sector should go up by virtue of this. How much and to

what extent, probably we'll have to wait for 4 to 8 weeks more to understand the real impact of

the GST.

Tushar Chaudhari: But the major consumer being BNC and infrastructure, do we expect our industry can grow at

10%, 12%, similar to last year or higher?

Jayant Acharya: So, I think the way you should look at it is that the GST reforms which they have announced,

has been a milestone event. I think it has changed the sentiment of the buyer. You can see it reflected in Maruti Suzuki's booking, which they have announced in the papers. They are all

struggling to meet the demand, because they didn't anticipate this kind demand for small cars,

which were not there for some time.

Second, the reduction of GST on cement will also have, I think, an impact on housing and

infrastructure, because that also, I think, would improve. So, you will see consumer durables, housing, residential and office spaces both improving. So, I think it should be positive. But as

Arun said, we'll have to watch for a few months to see how it unfolds. But I am quite positive

about this move. It's been a big support, I think, the way we have seen in the last few weeks.

Let's see how it develops.

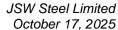
Tushar Chaudhari: Okay. And on value-added products front, is our JVML's portfolio relatively lower in percentage

terms. Basically, the EBITDA per tonne is lower than standalone that's the reason I am asking.

Jayant Acharya: So, 2 reasons. One is that JVML special products. So, the difference between value-added and

specials is value added is your all the downstream products which we are making out from hot-

rolled coil. So, JVML separately doesn't yet have a downstream capacity.





Number 2 is that the special products piece requires certain facilities and equipment to be put in JVML, which are still getting commissioned. So, I think it will get commissioned by the end of this month. So, with that, the special product portfolio of JVML will grow.

One more reason why you saw a slightly lower EBITDA last quarter because the geographical mix, which the orders of JVML in the last quarter, the geographical mix was a little different than what our other facility in Vijayanagar had. And that is why you saw a slightly lower EBITDA per tonne, because the freight was higher for the JVML orders, which they had to execute. But this, as time goes, this will balance out with their...

Tushar Chaudhari: Any reason of PAT loss, quarter-on-quarter?

Jayant Acharya: It's mostly FX.

Swayam Saurabh: Part of the reason was this geographical mix only. And also part of the fact that prices indeed

came down during the quarter.

Jayant Acharya: So, our guidance on JVML that the cost of JVML will be lower is playing out, and we have seen

reduction of cost of JVML in Quarter 2. So, it's going in the right direction. So, we remain very

positive about JVML operations.

Tushar Chaudhari: Thanks, sir. Happy Diwali to you all.

Jayant Acharya: Happy Diwali.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I would now

like to hand the conference over to the management for any closing comments. Over to you,

gentlemen.

Jayant Acharya: So, thank you very much for the call. As we reiterate, we have delivered a good set of numbers

in a seasonally weak quarter. We have ramped up our capacities in our expansion projects. We have announced new Capex in various assets. We remain optimistic about the H2 demand in this

financial year.

JSW Steel is very well placed to take advantage of this demand. We expect to meet our guidance, which we have given for production and sales both for this financial year. With that, I would

like to close. If there is anything else, you can reach out to our Investor Relations team to clarify.

And wish everybody and families all of you a very happy Diwali.

Ashwin Bajaj: Thank you, ladies and gentlemen, and wish you a happy Diwali.

Moderator: Thank you. On behalf of JSW Steel Limited, that concludes this conference. Thank you all for

joining us. You may now disconnect your lines.