



“JSW Steel Limited Q4 FY-26 Earnings Conference Call”

May 14, 2026



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
Mr. Ashwin Bajaj – Group Head (Investor Relations)

Disclaimer: This transcript is provided without express or implied warranties of any kind, and should be read in conjunction with the accompanying results materials published by the company. The information contained in the transcript is a textual representation of the company's event and while efforts are made to provide an accurate transcription, there may be material errors, omissions, or inaccuracies in the reporting of the substance of the event. The transcript has been edited wherever required for clarity, transcription error or correctness of data. This document may contain “forward-looking statements” - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “should” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

Moderator: Ladies and gentlemen, good evening, and welcome to JSW Steel Limited Q4 FY26 Earnings Conference Call.

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

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

Ashwin Bajaj: Thank you, operator. A very good evening, ladies and gentlemen. Welcome to JSW Steel's Earnings Call for Q4 and Financial Year 2026.

We have with us today the management team represented by Mr. Jayant Acharya, Joint MD and CEO; Mr. G. S. Rathore, Chief Operating Officer; Mr. Arun Maheshwari, Director of Commercial and Marketing; and Mr. Swayam Saurabh, the CFO.

We'll start with opening remarks by Mr. Acharya and then open the floor to Q&A. So, with that, over to you Mr. Acharya.

Jayant Acharya: Yes. Thank you, Ashwin. Good evening, everyone. So, FY26 was a transformational year for JSW Steel, marked by strategic joint ventures with global steel majors, progress on steelmaking and downstream capacity expansions, enhanced raw material security and significant balance sheet deleveraging. In December 2025, we took a very important strategic step of advancing our long-standing partnership with JFE Steel of Japan.

We announced a 50-50 joint venture with them for our BPSL Steel business. The transaction has progressed as scheduled with the JV entity being formed by end of March, and JFE has brought in the first tranche of their equity investment into the joint venture.

This transaction entails a deleveraging of approximately Rs.37,000 crores for JSW Steel, out of which about Rs.30,000 crores has been completed at March end. JSW Steel's balance sheet has transformed with operational improvements. Our leverage has fallen to 1.81x as on 31st March, and net debt stands at Rs.54,000 crores.

Our credit rating outlook has seen an uplift, and we expect to see continued progress on this front. As you are aware, we had also been working on a joint venture with POSCO, South Korea. Last month, we have signed a joint venture agreement with POSCO at the India-South Korea Summit in New Delhi to set up a greenfield integrated steel plant of 6 million tonnes in Odisha.

This transformation has set the foundation for our next phase of growth. India's continued strong growth in steel demand and our strong balance sheet has enabled us to accelerate the growth plans. We have been targeting a capacity of 50 million tonnes as we have been communicating in India by FY31. We are now announcing a target of 62 million tonnes by FY32, which can be achieved through our existing sites.

In addition to this, the joint ventures of JFE and POSCO will have a cumulative capacity of 16 million tonnes by FY32, taking the total capacity in India along with joint ventures to 78 million tonnes. Including our Ohio capacity of 1.5 million tonnes, the capacity would be close to 80 million tonnes for JSW Steel and the joint venture entities put together. Interestingly, if we just look at the ranking of steel productions, U.S. at number 3 and Japan at number 4 as a country, produce about 80 million tonnes. So, this capacity would bring us to be one of the largest steel producing companies worldwide.

During the year, we have announced an acquisition of BMM Ispat in Karnataka, a 0.9 million tonne producer of long products, which would complement our product basket of long products. BMM is located at close proximity of about 50 kilometers from our Vijayanagar steel plant. It has land available with expansion potential of 0.9 million tonnes to be expanded to 1.8 million tonnes at low specific investment cost.

The expansions would focus on engineering specialised steel, and this acquisition is expected to be completed by end of this financial year. Our expansions in 1 million tonne in Kadapa and the first phase of 5 million tonnes at JSW Utkal, which we announced last year are progressing on track. We are announcing a further 5 million tonnes expansion at Vijayanagar, which will take the Vijayanagar steel plant capacity to 25 million tons, making it the world's largest single location steel plant.

Our growth strategy also focuses on value-added products. And during the year, we have announced several downstream projects across our various sites in order to maintain our share of VASP over 50%. We have also taken big strides to enhance our raw material security. We have completed the acquisition of MdR high-grade coking coal mines in Mozambique. We have increased our effective interest in Illawarra coking coal mine from 20% to 30%.

On the iron ore side, we have operationalised 1 new mine in Goa, and we have won 1 additional mine in Goa in the last few days. We had previously stated our target of achieving a 50% captive iron ore integration and 25% captive coking coal by FY31 at a 50 million tonnes steel capacity. With the MdR acquisition, we now expect to be 50% captive for both coking coal and iron ore by FY31. We would also target going forward to enhance our captive to meet the 50% share at 62 million tonnes capacity as well.

So thus, the last year has truly been transformational.

In slide 8 of our presentation, you will see that over the next decade, India will be the key steel market globally. China steel production and consumption as a share of global demand peaked out around 2020 and is expected to see a gradual decline. Other markets will witness muted growth. India is going through a nation-building phase with steel being a key building block for growth.

This creates a long runway for steel demand to outpace the real GDP growth in the country. India, as the second steel producer and consumer will continue to increase its share of global steel consumption from about 9% currently to 16% in a decade. We believe production growth

is likely to lag consumption growth. JSW's strength and capabilities, including human capital, digitalisation and AI gives us the confidence to grow steadily to meet this Indian opportunity.

At the same time, we will stay prudent and focused on creating shareholder value as we have done historically in the past. On the macroeconomic front, the global economic growth outlook remains resilient with IMF forecasting global growth in 2026 at 3.1% and the outlook for 2027 at 3.2%.

This is despite the world economy facing elevated uncertainty driven by geopolitical events, particularly in the Middle East, which is causing supply disruptions, inflationary risks, increasing the pressure on interest rates. IMF, however, has flagged that prolonged continuation of this conflict could result in an impact on the GDP. Even as global uncertainties persist, India continues to grow -- to show strong growth momentum. The forecast by RBI for FY27 is 6.9% reflects the strength of domestic fundamentals with Indian growth demand remaining robust.

India has shown resilience in sustaining growth and geopolitical shocks. Such shocks are increasingly becoming the new normal. Economic activity in India has picked up in the second half of the year, supported by GST-led reforms. Healthy rural indicators, strong credit growth, improving capacity utilisation and traction across key sectors continue to support the outlook.

At the same time, risks such as energy price volatility and monsoon-related uncertainties needs to be monitored. India's steel consumption also grew at a healthy rate of 7.9% in FY26. Due to a large flow of imports in the past 2 years, we have been a net importer. With the imposition of safeguard duty last year, steel imports have declined and exports have risen, making India net exporter after 2 years.

Looking ahead, domestic steel demand is expected to grow at a healthy rate of 7% to 9% in FY27, incrementally adding 12 million to 14 million tonnes of demand. In China, steel production was down 4.6% in Quarter 1, outpacing the 4.2% decline in consumption. With production easing and export licensing norms coming into play from January beginning, steel exports, including semis fell by 8.1% YoY. Looking ahead, a better demand-supply balance is expected as China steel demand is projected to contract at a slower pace than what we have seen in the previous year.

JSW Steel's growth continues to be firmly India-centric, reflecting our long-term conviction in India's growth trajectory. Steel is the building block for growth across manufacturing, infrastructure, engineering, energy and mobility. A strong domestic ecosystem directly contributes to self-reliance while also creating an opportunity to build further resilience and self-reliance in the country. Our growth strategy continues to focus on disciplined capital allocation, efficient execution, technology and digitalisation to create sustainable value for all stakeholders.

On sustainability, we were included in the S&P Global Sustainability Yearbook, earned the Top 1% Emblem globally across industries and were ranked number 1 in the global steel

sector. We have commissioned 1 GW of renewable capacity with a total 2.5 GW approved by our Board, along with 320 MWh of battery storage.

We also deployed India's first electric locomotive for captive logistics at Vijayanagar. On the update of our projects, just to give you a brief overview at Vijayanagar, the BF-3 expansion from 3.0 to 4.5 million tonnes is currently under testing and commissioning. The ramp-up is expected to add incremental volumes from Q2 onwards.

At Dolvi, the Phase 3 expansion from 10 to 15 million tonnes is moving ahead as planned with civil work equipment erection underway and targeted for completion by September 2027. At JSW Utkal in Odisha, the 2 pellet plants will be commissioned by FY28. The first phase of 5 million tonnes steel capacity will be commissioned by FY30. The 30 million tonnes slurry pipeline in Odisha is progressing well and is expected to be commissioned by FY27.

The 1 million tonne structural mill at Kadapa is progressing with equipment ordering underway and commission targeting by FY29. We are adding about 3 million tonnes of value-added capacities while we grow our steel capacities across galvanised, electrical steel, tinplate, cold rolling, structural products etcetera. And these projects are progressing well and will be commissioned between FY28 and FY29.

In addition, let me give you a little bit of an update on the raw material side. On iron ore, we have 25 iron ore mines, out of which 13 are currently operational. We are working on operationalising the remaining mines as well as increasing the EC capacity at some of the operating ones.

In Goa, we expect to operationalise 2 more mines in Quarter 1 of FY28 -- by Quarter 1 of FY28. As we increase our captive iron ore production, we are geographically optimising our sourcing, thus reducing our logistics cost and lead times. The 2 million tonnes iron ore mine at Netrabanda, which is now with the joint venture is now part of BPSL is being commissioned in the Quarter 4, increasing the iron ore availability for the joint venture.

On the coking coal front, as we mentioned earlier, Mozambique has the potential to yield 250 million tonnes of usable high-quality coking coal. The mine will be developed in phases, and the first phase is targeted to be completed by mid-CY28, producing around 5 million tonnes of usable coking coal. In addition to the 30% stake in Illawarra, we have 3 mines and coal linkages in India, which together will provide around 5.5 million tonnes of coking coal. Along with MdR, we will have approximately 10 million tonnes of captive coking coal, meeting around 50% of our total coking coal requirement by FY31.

Coming to our operating performance, quarter 4 was characterised by strong volume growth and operational performance supported by efficient asset utilisation and increased plant reliability due to digitalisation efforts across our sites. This was reflected in the higher capacity utilisation for the Indian operations, which stood at 96%, excluding the BF-3 shutdown.

The downstream capacity utilisation also increased in Quarter 4 to 95% that provided us higher VASP volumes. Steel sales stood at around 8 million tonnes for Quarter 4 and around 30

million tonnes for FY26, driven by improved domestic sales supported by growing steel demand in India.

Our geographic and sectoral mix has improved. Automotive, packaging, alloy engineering sectors have increased. Also, branded sales constituted about 50% of our total retail sales, enhancing the overall value of the volumes. During the quarter, we reduced inventory by 700,000 tonnes and approximately 100,000 tonnes over the full year. We achieved 99% of our production guidance and 102% of our sales volume guidance for the year.

Coming to the financial results. Our consolidated revenues in Quarter 4 crossed Rs.51,100 crores, crossing Rs.50,000 crores for the first time. Adjusted EBITDA stood at Rs.9,713 crores with an EBITDA margin of 19%, while PAT stood at Rs.19,243 crores. It is important to note that there was an exceptional gain of Rs.17,888 crores in Quarter 4. This includes a gain of Rs.18,051 crores on slump sale of BPSL steel undertaking and Rs.163 crores exceptional charge on implementation of new labor code. The normalised PAT, excluding exceptionals for the quarter was Rs.3,475 crores.

In FY26, the adjusted EBITDA stood at Rs.32,048 crores and the normalised PAT, excluding exceptionals, was ~Rs.8,700 crores.

We transitioned from Quarter 3 with one of the lowest steel prices, which has improved gradually post the imposition of safeguard duty and strengthened through March. Some part of this price recovery will be realised in Quarter 1 FY27. On the cost side, we were impacted by higher coking coal prices, which increased by about \$16 per ton.

Iron ore costs were flat during the quarter with 1/3rd of captive iron ore usage in the quarter 4 FY26. At our overseas operation, Q4 performance was better at the Plate & Pipe Mill in Texas. However, the Ohio operations production was impacted as activities ramped up in January '26 following the caster upgrades and extreme cold weather.

Overall, for FY26, the performance of U.S. operations improved significantly, reporting an EBITDA positive of \$36 million compared to an EBITDA loss of \$35 million in the previous year. The Italian operations also performed well in FY26, reporting an EBITDA of EUR16.4 million versus close to EUR15 million in the previous year.

The BPSL transaction has driven a structural deleveraging and transformed our balance sheet. Our net debt has declined and stood at ~Rs.54,000 crores by the year-end. Our revenue acceptances stood at \$2.1 billion. Leverage and gearing have dropped substantially to 1.81x and 0.51x, respectively.

The second tranche of equity investment in JFE is expected by end-June, which will drive further deleveraging of Rs.7,900 crores approximately. We have also revised our stated maximum cap for gearing from 1.75x to 1.25x and leverage from 3.75x to 3.00x. However, our comfort level will be to keep the leverage below 2.5x. During the quarter, we incurred capex of Rs.4,612 crores and Rs.15,600 crores for FY26. The capex for our approved growth plan is Rs.1,26,000 crores, which will be spent over the next 4 to 5 years. We expect to spend about Rs.22,000 crores to Rs.24,000 crores in FY27.

The JSW online platform in which we have about 61% equity stake on a fully diluted basis continued to see strong momentum during the year. In quarter 4, it turned profitable for the first time. The steel volumes grew by 50% YoY and the GMV reached Rs.6,200 crores, a 57% YoY increase. Over Rs.2,000 crores of this GMV was driven by JSW One's credit offerings.

Looking ahead, we expect our coking coal cost to be higher by \$12 to \$15 in Quarter 1. And for FY27, we expect consolidated steel production at 29.75 million tonnes and a sale of 28.6 million tonnes. This includes volumes from BMM Ispat, which is being acquired by us, but excludes volume from our JFE joint venture. We expect the domestic steel demand to grow in the range of 7% to 9% in FY27, and JSW Steel is well positioned to support this growth. We'll be happy to take questions. Thank you.

Moderator: Thank you very much. We'll take our first question from the line of Vibhav Zutshi from JP Morgan. Please go ahead.

Vibhav Zutshi: Congratulations on the strong results. The first question is basically on the raw material security given the target of 78 million tonnes. Starting with iron ore maybe, while you said the captive mix would be 50%, we have seen some of the global iron ore majors ramping up iron ore exports to JSW Steel. So how confident are we in ramping up the captive mix from 1/3rd currently to 50%? And how could be the mix for imports versus domestic sourcing? So just if you could provide some guidance on that, please?

Arun Maheshwari: Regarding the security of iron ore up to 50% for the captive -- from the captive sources, we today, also, we have a 50% EC capacity available for the iron ore within India for our own consumption. Depending upon the logistics ratios, depending upon the proximity, depending upon the other sources available at that particular point of time, we define to use how much we should be taking out from the captive.

So that's how we decided to take only up to 1/3rd of the consumption last year from our captive sources, even though the ECs were available up to 50% of our own consumption. So, this is how we try to maximise our logistical advantages at different geographies because we are located in almost all geography of India.

So going forward also, we have continued to participate in the assets of iron ore within India. Recently, we have acquired some more in Goa. We continue to look for something more in South. We are participating in Andhra Pradesh, wherein we have secured out some concessions. Those are exploration licenses wherein we are doing more exploration. So today, we have 13 operational mines and about 12 is under exploration. So, we will continue to upgrade our captive sources available. And we are confident that at the 62 million tonnes of JSW's volume, we will have our targeted volumes of captive sourcing.

Jayant Acharya: So, our total, as we mentioned, was 25 iron ore mines with total combined resources of about 1.7 billion tonnes without the mines which are under exploration right now. So those will add to the resources.

Vibhav Zutshi: Okay. Okay. Got it. That's helpful. And just second question is on the Middle East conflict. So, we have been seeing that there is a reduction in commercial LPG supplies and some shortages

in natural gas as well. So, do you see any risk to the volume guidance if the conflict continues or those issues are largely resolved in the guidance that you've provided?

Arun Maheshwari: Well, yes, LPG and the gas supplies, LNG has been recently cause of concern because of the Middle East disruption. But our exposure to the gas-linked production is very limited in the overall production. However, it does have an impact on the cost of production. However, we have ensured and we continue to ensure that there won't be any production disruption by virtue of non-availability of gas, unless it becomes too severe in coming months. Otherwise, our portion to the gas-linked steel production is very, very less.

Moderator: We'll take our next question from the line of Amit Dixit from Goldman Sachs.

Amit Dixit: Congratulations for a good performance. A couple of questions from my side. The first one is on realisation. Now given that realisations have gone up and spot realisations have gone up much higher in last quarter, what kind of realisation increase do we expect going for -- I mean, in Q1, if you consider that the prices remain at the current level, I mean, considering the contracts that you might have and other things?

Jayant Acharya: So yes, Amit, you're right. Since the increases have happened between January to March gradually, part of the increase is reflected in our Quarter 4 numbers and the balance increase will be reflected in Quarter 1. In the Quarter 4, our NSR has moved up by about Rs.3,800 per tonne. And we would see the balance of the price increase play out in Quarter 1.

Amit Dixit: Sir, possible to quantify the balance?

Jayant Acharya: So difficult to give a number because it will depend on again the product mix. So -- and it will also take into account a seasonal number. But I think we expect that after covering the cost because the cost also will go up. My sense is or our sense is that the cost will go up in the range of Rs.3,000 or so per tonne, but the margins will still be positive after covering the cost. So, the price will cover the cost and add to the margin.

Amit Dixit: Great, sir. Understood. The second one is essentially on the expansions that we have announced. Now most of our expansions are flat focused. And in the country, traditionally, we have seen long demand outpacing flats. So, any thoughts around longs expansion as well? I know you've mentioned one of the acquisitions that you have done. But apart from that, are we planning to get active in longs as far as downstream expansion is concerned?

Jayant Acharya: So, in the last announcement, if you recall, we have announced that the Kadapa section mill, which is a structural mill, which would go for beams and the expansion at our Raigarh facility, which would have beam and rails. So those will be in long products. In the BMM facility, which we have just approved at the Board for acquisition, which is a 1 million tonne long facility would be expanded to about 1.8 million tonnes.

And that would also be in special engineering steel products. So yes, these would add to the long product capacities, which we currently have. We believe that India with the infrastructure growth would require long products, and these would help in meeting those demands.

- Moderator:** Next question is from the line of Amit Murarka from Axis Capital.
- Amit Murarka:** So, I just wanted to understand the thought on growth going ahead. Like earlier in the past, we have seen that usually you would have taken one project at a time. So given that now you are indicating taking up multiple projects, so is it now the new normal or should we like look at the business now as 3 balance sheet, like standalone, JFE JV and POSCO JV for all your growth programs going ahead?
- Jayant Acharya:** From JSW Steel's perspective, if you see the slide, which we have already given to you that by FY30, JSW Steel alone will be at 49 million tonnes approximately, and on top of that, we would have the joint venture of JSW JFE and including Ohio, will be close to 55 million tonnes by FY30.
- The expansion of JSW Steel alone up to FY32 would be to 62 million tonnes. So what you would track for JSW Steel will be this 62 million tonnes. On top of this, we have 10 million tonnes as we expect from the joint venture with JFE in the existing site and the 6 million tonnes new facility at POSCO. Those would be tracked again separately.
- G.S. Rathore:** And once Dolvi gets completed, we will have 2 sites, Paradip and Vijayanagar.
- Jayant Acharya:** Yes and Mr. Rathore is just adding that stat.
- G.S. Rathore:** Yes. So, like the Dolvi will get over in another one year or so. Then we will start -- this year, we'll start Paradip and Vijayanagar. So we'll have 2 sites instead of one site, each 5 million tonnes. So yes, that's the target we have taken.
- Amit Murarka:** No, my question is more longer-term. So, what I was trying to understand is like usually in the past, you have taken one project at a time and then moved ahead. So, is this now a new normal that you'll be taking up multiple projects through the JV structure that is in place now?
- Jayant Acharya:** Yes. So, as we had given you an indication earlier that the idea of the JV was to strategically grow faster in the country, while it helped us to deleverage as well. So, we'll have a double engine of growth, one which JSW Steel will grow on and the other which the joint venture will grow on. We have also given you an indication that India is the fastest-growing market, and this is the right time to be able to take this opportunity and grow faster. That's the idea. And we would, therefore -- so your answer is yes, we would be expanding faster along with the joint ventures.
- Amit Murarka:** Right. And given that the pace of growth is going to be so high, like is there a plan to also kind of export, I mean, a larger part of these volumes than what we are doing currently then?
- Jayant Acharya:** Can you just repeat that one? Sorry, I missed that.
- Amit Murarka:** Given that the pace of growth at JSW, including JV level is going to be quite accelerated with like multiple capacities being done. So, is there also a plan to essentially raise exports to a much higher percentage than what it is today in the current portfolio?

Jayant Acharya:

We don't see the need as of now. The way it is structured, I think you will see probably more of domestic alignment. It's possible that when the capacities incrementally maybe come up in the first 1 year or 2 years, you have a slightly higher export, but then come down. Having said that, but I would like to say that our Paradip facility, which is on the port would be the natural place to export from. So, the exports from Paradip will naturally be higher than other sites. But given the domestic growth, as we have reiterated earlier, our feeling is that this capacity will be required to meet the domestic growth, which we are seeing today.

If you're looking at a number of 230 million tonnes by the end of this decade and going beyond thereafter, unless capacities are put in place, I think India will not be able to meet this demand. I also mentioned the line, I think we believe that capacities are going to follow demand. And there will be a lag in the medium term up to 2030.

Any capacity which you set up today takes 4 to 5 years minimum. So, when you start a project, keep that in mind. But we are quite confident that with our faster pace of execution and low specific investment cost, we are well placed to grow in India. And we are quite optimistic that this is in line with the growth and not in excess of the growth.

Amit Murarka:

Got it. And last question...

Moderator:

Amit, I request you to join back the queue, please, as we have participants waiting for their turn. Next question is from the line of Sumangal Nevatia from Kotak Securities.

Sumangal Nevatia:

My first question is with respect to the JV with POSCO. I just want to understand better what is the rationale and what value does the new JV partner brings given that we already have a very strong balance sheet after the JFE deal. And we also have a lot of expertise -- access to expertise in value-added products, etcetera, given our association with JFE. So just some color on this.

Jayant Acharya:

So there are 2 reasons. One is that both JFE and POSCO are leading global steel companies and both have their strengths on technology. There are certain strengths which JFE, we have been able to get along with JFE into India, CRGO being one of them, and we have collaborated with them on many areas of improvements, and we'll continue to do so. POSCO also has their own areas of technology and especially in the high-strength steels, giga steels, which would go for lightweighting, replacement of aluminum, hydrogen technology to reduce emissions, digitalisation and AI.

I think those are areas of cooperation between POSCO and us. In addition to that, POSCO has a 2 million tonnes cold rolling facility in Maharashtra. And they would like to integrate backwards with the steel plant. And one of their criteria for looking for a steel plant in India has been to have a backward integration of the steel from their own facility. So, these are the 2 reasons.

Arun Maheshwari:

And that is largely because POSCO Maharashtra they wanted to have a localisation of sourcing. And that is one of the primary reasons even POSCO wanted to come to India.

Jayant Acharya: Yes. So going forward, they want to buy -- rather than sending it from Korea, they want to buy more steel from the local facility in India.

Sumangal Nevatia: Understood. And just to harp on this topic a bit more. One is, I mean, how does our existing JV partners view association with new global players? Is there a potential conflict in future? And I mean, a few years down the line, we have 3 large plants supplying flat steel from Odisha. So, will we have a different sales strategy, different targeted downstream products across the plants or they will just compete like independent plants?

Jayant Acharya: We do not foresee any conflict between the JV partners per se. They will have their own strategies for sure because they will be different legal entities. But we see, as we mentioned, the growth of India is strong and therefore, will enable all the entities to grow. And POSCO Maharashtra, as I mentioned, is a 2 million tonnes basically captive demand for the POSCO facility, which will come up. So keep that in mind as well. So that will be supplying basically 1/3rd of their total new capacity to the downstream facility.

Sumangal Nevatia: Got it. My second question is -- can I go for a second question?

Moderator: Yes, please go ahead.

Sumangal Nevatia: Yes. So just -- I mean, on a broader level, I just want to understand, given the overall macro issues in the country and the pressure on inflation, do we see any risk of some withdrawal of protection given our domestic prices are enjoying 20% kind of higher prices due to the protection. Just some thoughts here as well.

Jayant Acharya: I think we -- if you really look at protection, I would say India is probably one of the more balanced countries with respect to protection as you see it worldwide today. We are seeing protections between 25% to 50% in various parts of the world. Every country is trying to safeguard their shores from any kind of trade flows, which can be adverse for that country, and that is becoming very critical to the supply chain resilience of that country.

In India, with the 11.5% safeguard duty, I think we are far lower than what the rest of the world is. That's number one. Number two, your comparison is with the lows of December. I would not do that. 3 years back in April '23, we had the same price as we had in April '26. The cost environment was similar, if you were to look at coal and iron ore. But on top of that, the depreciation of the rupee has been severe.

So please look at the fact that your cost on account of the overall ecosystem has gone up. You have just come back to where you were 3 years back. I would say this is more of a price correction and to make it a viable price system today. From international price perspective also, I think we are now well balanced.

We do not think that we are very much off the international prices as we see it today. If you look at -- by and large, the Western economies, if you were to look at Europe and U.S., Europe is already in the range of \$830-odd of hot rolled coil. And I think the U.S. is close to \$1,100 per metric ton of hot-rolled coils. And Japan also and Korea also internal prices are higher. So, we are price point of view also more balanced in India.

- Moderator:** Next question is from the line of Pinakin from HSBC.
- Pinakin:** My first question is, if we look at the capex guidance of Rs.126,000 crores over the next 4 to 5 years, that clearly does not capture the entire 30 million tonnes JSW Steel expansion and the 10.5 million tonne at the JV. So, if you take a step back, can you give us a broad range of the capex over the next 5, 6 years to go from the current capacity base to 78.5 million tonnes capacity base and includes downstream mining, everything?
- Jayant Acharya:** So currently, as we have given you the capacity expansion plans, our capex plans are at Rs.1,26,000 crores as of now. Incrementally to be at 62 million tonnes plus invest for equity for the joint venture and our mining, other investments, downstream facilities. Our sense is that we would require another Rs.1,00,000 crores between now to FY33 because FY32, if you try to plan a capacity, the payment would spill over at least to the next year. So, you have about 6 to 7 years, 7 years in which you would spread this capex.
- Pinakin:** So sir, just to understand clearly, this Rs.1,26,000 crores plus another Rs.1 lakh crores, so Rs.2,26,000 crores over the next -- let's assume 6 to 7 years, right? FY27 is the Rs.22,000 crores. So, the way we should look at it that in the coming years, the annual run rate of the capex will go from the Rs.20,000 to Rs.35,000 crores a year in the next couple of years as the projects -- the multiple projects pick up pace?
- Jayant Acharya:** Yes. this is including the joint venture projects, including the mining, which we would -- additions which we would do in Mozambique, including our own 62 million tonnes. It's a combination of all of them, yes.
- Pinakin:** Got it. And sir, my second question is, if I look at the guidance, right, if I strip away BPSL from this year's base, it implies roughly 9%, 9.5% of production growth in FY27. Given the timelines of the project commissionings that we have in terms of Dolvi, Vijayanagar, is it fair to say that this is the broad 8% to 10% CAGR that we can look at for the next 3 to 4 years?
- Jayant Acharya:** I think if you see the guidance which we have given, if I recall, we have given a guidance of 29.75 million tonnes, which on a like-to-like basis is a 13% growth in production and a guidance of sales at 28.6 million tonnes is a 10% growth. Now going forward, the capacities, as you know, we are getting in capacities of Vijayanagar and Dolvi put together, which would add about 7 million tonnes of capacity between now to September '27.
- The Utkal facilities, which have been taken up and the Vijayanagar facilities for expansion of another 10 million tonnes, etcetera, which has been taken up, would be there by FY30. Those will provide -- each of them will provide incremental EBITDA for the next phase of growth.
- Moderator:** Next question is from the line of Pallav Agarwal from Antique Stockbroking. Pallav, your line is unmuted, please go ahead with your question.
- Pallav Agarwal:** Am I audible now?
- Jayant Acharya:** Yes.

- Pallav Agarwal:** Yes. So, first question was on BMM Ispat. So, I think can you just share what was the actual production and EBITDA number in FY25 for this company?
- Jayant Acharya:** I think we'll request our investor team; you can reach out to them and take the details. I don't have it off the cuff right now.
- Pallav Agarwal:** Sure, because I think the...
- Jayant Acharya:** It's a facility of 0.9 million tonnes, just to give you an overview. So, 0.9 million tonnes, so you can -- roughly producing in the range of -- I would say we would produce in the range of 0.8 million tonnes in this financial year.
- Pallav Agarwal:** Sure, sir. And also, if I look at the networth, I think probably it was about Rs.2,700 crores as per the press release on the stock exchange. So -- and we've acquired it for about Rs.6,500 crores. So that's close to almost 3x on a price-to-book basis. So, is this factoring in the future expansion that can happen with it?
- Swayam Saurabh:** No. So, the current price at which this is acquired represents multiple approaches, discounted cash flow as well as replacement cost. It's roughly a million tonne plant. Also, the fact that it has a blast furnace, which is very new, which was commissioned only last year. And if you take a normative EBITDA per ton of plant of this size, you will realise that the effective EV/EBITDA is significantly attractive.
- Plus, the fact that this has potential to expand capacity almost double from here in a fairly short period of time. All of these factors, but the valuation, we believe, is fairly attractive, plus the synergy with our Vijayanagar location, which is very close to it.
- Jayant Acharya:** Yes. On an expanded basis, you're right that this gives us the additional headroom because we feel the next 1 million or 0.9 million tonne can be expanded between Rs.1,600 crores to Rs.1,800 crores, making the overall investment very attractive.
- Moderator:** Next question is from the line of Parthiv Jhonsa from Anand Rathi.
- Parthiv Jhonsa:** Congratulations on completing the JV and further strengthening the relationship with the partner. I have 2 questions. The first question is pertaining to the steel prices, considering just a couple of days back or very recently, a couple of companies from Vietnam, China have taken substantial price hike and also your price in Europe and U.S.A. are at reasonably high level. Just wanted to check if you can just give a number of what we can expect as far as your price increase in Quarter 1 and H1 going forward?
- Jayant Acharya:** So, in the month of April, we have increased prices, and we have increased some price for flat products in the month of May as well. I think we increased Rs.2,000 in April and Rs.1,000 in May for flat. Our belief is that for now, the price will be range bound. We will watch the geopolitical situation in the country and then take a view. As of now, we believe this would be range bound going into this quarter.

Parthiv Jhonsa: And sir, just continuing to that question, any contracts from auto, which would be done at a much higher prices because I believe it's at a rolling basis, right?

Jayant Acharya: Yes, it would. So auto gets recalibrated quarterly. So, the price increase for automotive will come in this quarter. The quarterly prices will get recalibrated. Those will be also in this quarter. You're right.

Parthiv Jhonsa: Okay. And any idea on the hike, which we can expect from the price from the auto sector?

Jayant Acharya: I will not be able to give you numbers here. But as we close, the things it will come out in terms of...

Parthiv Jhonsa: No problem. And yes, my second question is pertaining to your annualised capex run rate of about Rs.30,000 crores, Rs.35,000-odd crores going forward, right? I believe though you are very comfortable for, say, FY27, considering would be your production and sales are at about 10%, 13% higher on a like-to-like basis and also the prices are good. However, going forward, at say, Rs.35,000 crores of capex on an annualised basis, would you start opting for more debt? Because for -- in the near-term, I think your cash flows might not match, if I'm not mistaken.

Swayam Saurabh: If you factor in the capacity, incremental capacity, which are going to be available fully from now till next 1.5 years, and that includes JVML, which is not at full capacity yet in FY26, can do 1 million more. BF-3, which is going to start production once the capacity upgradation is completed, that will give 2 million more. And Dolvi Phase 3, which we expect to come in CY27.

Now these 3 put together creates almost 8 million tonnes of extra production, which will create anywhere between Rs.9,000 crores to Rs.12,000 crores of EBITDA, which is not in my base today. So, if you take that out, you'll realise that even if as a company, we stretch to Rs.30,000 crores to Rs.35,000 crores of capex spend. A part of it is going to get funded with the new cash I will generate.

So, if you exclude that, you'll realise that it's from the base, the kind of cash we are creating, we are not going to create very large stress to increase debt. But of course, temporarily, debt could still go up. But given where we stand right now, which is at 1.8x net debt to EBITDA, and our expectation is this leverage in FY27 perhaps will go slightly better, especially after second tranche of JFE. We think we'll be very comfortable.

Parthiv Jhonsa: So, my basic my understanding was...

Moderator: Go ahead, please.

Parthiv Jhonsa: My quick understanding was that Dolvi is expected in CY27. So, the incremental benefit would be only from FY29 onwards, right? So, I think for FY28 and FY29, that is what I wanted to understand. So, these 2 years, there would be some increase in debt, right, if I'm not mistaken?

Swayam Saurabh: No, not really because you will have JVML, which will start actually produce the entire 5 million in FY27. Then you will have BF-3, which will have some positive uptick in FY27, not fully. That would come in FY28. And in FY28, you will also see Dolvi's part volume could be small. So, this combined will create incremental cash, which we are not seeing in our base yet.

Jayant Acharya: Without Dolvi, just to sum up, it's 4 million tonnes at least you will see between now to FY27, including the BMM volume that will give you additional cash flow till Dolvi comes in. Dolvi will start kicking in, let's say, after, let's say, October '27 to December '27 quarter, they will start, let's say, operations and then ramp up capacity.

Moderator: Next question is from the line of Shubham Jain from Nippon India Mutual Fund.

Shubham Jain: Congratulations for the good performance. My first question is, can you help us understand the current raw material consumption norms in the Indian operations, like specifically for iron ore and coking coal for per ton of steel? And also, within your cost of goods sold, roughly what percentage is attributable to iron ore and coking coal?

Arun Maheshwari: Well, percentage utilisation or the ratio of utilisation of iron ore and coking coal is purely depending upon what grade of iron ore we are using and which location and which technology we are using into. So typically, if I have to say then it is about 1.8 to 1.9 per ton of steel is what the iron ore consumption would be. And coking coal, if I have to consider purely coking coal, just is about 700 kgs per ton of steel. This is a typical ratio, what we have, only coking coal. But if I have to add all the coals, it becomes about 900, 950 kgs depending upon the process what we are getting into.

Shubham Jain: Okay. And roughly what percentage is attributable to iron ore and coking coal in cogs?

Arun Maheshwari: Well, it keeps changing depending on -- because both are cyclical in nature, but I would say only about 60% put together is the cost share of iron ore and coking coal.

Moderator: Shubham, I request you to join back the queue please as we have participants waiting for the turn. Next question is from the line of Indrajit Agarwal from CLSA.

Indrajit Agarwal: I have -- my first question is on the export. As you said, that more and more global economies are getting closed. So, if at a point in the next couple of years, we have a temporary overcapacity in flat steel in India, which geographies do you think we can still have a market?

Jayant Acharya: No. Actually, if I really -- we have modelled the overall flat demand in India. By and large, if you see flat has been growing at a slightly faster pace in general over the past few years. So, we see that flat demand will increase. The entry barriers for flat capacity setting up is more. Therefore, in the medium-term, maybe between the years of '28 to '30, I see that supply will lag demand.

Going forward, if you really look at the overall thumb rule number, if we are incrementally generating about 12 million to 14 million tonnes of incremental demand, roughly about 6 million to 7 million tons of flat steel would be the incremental demand. That means you will require to set up at least 2 hot strip mills because each hot strip mill takes almost 2 years to

fully play out. So at least 2 hot strip mills should come every year for you to be able to meet that demand.

I do not foresee too much of a problem in the planning, which we see. There could be some year, as you mentioned, where if there is any clubbing of capacities which come, then certain amount would be exported, which is fine. As I mentioned, our Odisha facility is on the port, and that can leverage exports into the world. We also have opportunities of supplying some green steel to the world.

As you know, we have said that Salav would produce low-grade emission steel from natural gas and DRI and renewable energy. That is a natural export model. The third one is that we see that there is a gap in slabs also which is required internationally. The traded slabs internationally have come down post the Russia, Ukraine and Iran conflicts. There is a space which has been created in that. That's the third opportunity for exports, which is there.

Indrajit Agarwal: Sure. My second question is actually a bookkeeping question. If you can highlight how much is the iron ore cost increase for 1Q? And what is the tax incidence of the BPSL deal?

Jayant Acharya: The iron ore costs have gone up in the last few weeks that there will be -- we are trying to reduce and we are trying to do the blending in a manner so that the specific consumption is better. And with that, we will try to moderate the impact of the price increase. It will be slightly higher, but not much from Quarter 4 to Quarter 1. As far as the bookkeeping question is concerned on the BPSL tax something which you asked, you wanted to -- can you repeat that part? Tax incidence on the BPSL...

Indrajit Agarwal: Is there any tax implication? Yes.

Swayam Saurabh: No. So BPSL has had carry forward losses, unabsorbed depreciation. So, the effective tax on this transaction is significantly lower. Those losses were fully utilised...

Indrajit Agarwal: Even on JSW books?

Swayam Saurabh: Correct. On JSW books.

Moderator: Next question is from the line of Ashish Jain from Macquarie India.

Ashish Jain: Sir, my first question is on pricing. You made a point earlier that current prices are still where we were in 2023. But then if I see that in context of China exports, assuming that China exports drive prices directionally, they were much lower in 2023. So how should we think about pricing going ahead? Have we come to a point where pricing is more local irrespective of the safeguard duty? Is that -- have you come to that point yet, do you think?

Jayant Acharya: No. I don't think price will always be what is internationally available, and that has to be taken into account. I don't think you can ignore that. But just to give you a number because we were just going into this as an analysis from our side. China prices in the international market in, let's say, April, May was in the range of \$550, \$560 FOB. It was actually slightly higher than what it is today.

Today, it's, let's say, in the range of \$510 FOB. And on the cost side also, you will see similar structures. India, at that point of time, hot-rolled coil prices were in the range of Rs.60,000. You can do your math. I think we are not very far from this basket. That's why I compared April '23 to April '26. But international prices will always be a guiding factor for the domestic steel prices.

Ashish Jain: Right, right. Sir, secondly, in terms of the demand, you clearly are very positive in demand. Is it possible to give some color in terms of which are the key sectors, segments where we are most optimistic on demand? If you can give some granular color on that?

Jayant Acharya: So, the way infrastructure and construction naturally contributes to a very large part of the overall steel consumption, and that's growing at a very healthy rate. Automotive, if you see from what was expected when we began this year to what we entered this year, automotive growth has been really good.

Automotive capacity announcements by major auto producers in the country is also a very healthy number. We are seeing similar kind of traction in the renewable energy sector and similarly in appliances and others. So I would -- if you were to sum up, infrastructure, manufacturing, including automotive, renewable energy. These are moving at a fast pace.

Ashish Jain: And anything on railway...

Moderator: Ashish, I request you to join back the queue, please, as we have participants waiting for their turn. Next question is from the line of Raashi from Citi.

Raashi: Just a question, you had mentioned that the cost increase sequentially is expected to be about Rs.3,000. So apart from coking coal, where all are you expecting an increase?

Jayant Acharya: Yes. coking coal, our expectation is between \$12 to \$15.

Arun Maheshwari: So the large part of the increase would be somewhere around -- the exchange rate is for sure, one of the cost element. And the sea freight has gone because there's a large part with seaborne trade also for us, whether it's an import of coking coal or other coal or coastal movement, so that impacts.

So -- and the fluxes because the Middle East is one region where all the fluxes are coming. So that gets impacted and the demurrage incidences are increasing there. Gas would be very -- our exposure to gas is just about 5% to 6% of the total production volume. So, it won't impact much to us as -- but still in steel, we will generally get impacted because of the gas prices.

Jayant Acharya: And on account of iron ore, maybe we factor 5% Quarter 4 to Quarter 1 on cost.

Raashi: And when you say the exposure to gas is 5% to 6%, because my understanding was that the gas impacted mostly your downstream production. Is there any upstream exposure as well?

Jayant Acharya: Dolvi, our -- you're talking about natural gas exposure, right?

Raashi: Yes, yes.

Jayant Acharya: Natural gas exposure, when you -- natural gas exposure to downstream is not there. Natural gas is basically used in Dolvi in our operations to some extent. But as Arun explained, it's a very small percentage of our overall requirement. Downstream uses a little bit of LPG, but we have been converting to different fuels and therefore -- yes, and therefore, we are able to mitigate some part of the impact of the LPG pricing. We're using liquefied natural gas.

Moderator: Next question is from the line of Ritwik Sheth from One Up Financial.

Ritwik Sheth: Sir, a couple of questions. Sir, what will be the share of our JV investments in this Rs.2.5 lakh crores?

Jayant Acharya: For the JV investment, Yes. First of all, as I said, Rs.1,26,000 crores plus at almost another Rs.100,000 crores. It could be a little lower, but at the most another Rs.1,00,000 crores. The JV investment will only be in form of equity. And so if you typically take a project which we are doing, let's say, we are doing BF-6, for example, right now in Vijayanagar, which -- for which the expansion, which we have just announced Rs.26,000 crores.

If you were to take that as a benchmark between Rs.25,000 crores to Rs.30,000 crores, equity would be for any project of this would be about Rs.8,000 crores to Rs.10,000 crores. So, in a project like this, our share of equity would be close to Rs.4,000 crores to Rs.5,000 crores in each of these projects. So that means 2 projects multiplied by 2.

Ritwik Sheth: Got it. And sir, what is the outlook for the overseas subsidiaries for FY27?

Jayant Acharya: FY27, U.S. operations have the vacuum degassing modification and our caster modification for dynamic soft reduction has taken place. They are in the process of stabilising. That will enable them to produce higher grades. So, one that is value accretive. The volume also which we lost on account of the shutdown at Ohio upgradation, that will come back.

Baytown upgradation is getting completed and that should start operations in Quarter 2 of this financial year -- by the end of Quarter 2 of this financial year and gradually ramp up. So that -- these 2 combined will give you a better profitability going forward in the U.S. operation. Italy also the sales volumes are likely to be better.

Arun Maheshwari: Sales volume would be better. And the product mix and the market mix is -- looks to be much better this year. So, we would get a better overall EBITDA -- financial performance over there.

Jayant Acharya: So overall, both assets will show better performance vis-a-vis FY26.

Moderator: Next question is from the line of Jashandeep Singh Chadha from Nomura.

Jashandeep Singh: Congratulations for a good set of numbers. Sir, my first question is in line with what one of participants earlier asked. So just wanted to put the net debt again into context. So, asking in an another way, sir, in the near term and in the sustainable, how do you -- how do JSW steel look at its leverage? How is management -- how much is management targeting the net debt to EBITDA in the near term and also sustainably? So just wanted to understand the peak debt and sustainable debt, what will be?

Swayam Saurabh: I think when Jayant in his opening speech, did mention it, we have revised our upper limit headroom from 3.75x down to 3x net debt to EBITDA. And that basically means we are much more comfortable even while we are in this capex journey. Instead of giving an absolute net debt number, our preference will be to track the leverage ratios.

Jayant Acharya: We are -- as I said, we are hopeful of a lower net debt to EBITDA number. So therefore, we have revised our cap, and we are comfortable below 2.5x.

Jashandeep Singh: Understood, sir. And sir, my next question is a little structural in nature. I just wanted to understand when we look at your JV expansion plans, JSW expansion plans for the next decade also, we see that how largely blast furnace will govern the expansion phase, right? Although scrap-based EAF on a smaller term you are putting in. So how far is India actually investing in scrap-based EAF assets? So how will blast furnace keep on dictating the expansion in the near decade as well.

Jayant Acharya: So even in our today's mix, if I were to see, I think about more than maybe close to 1/3rd or 30% plus is electric arc furnace based. Going forward, we have mentioned that we would be putting up a facility in Salav of 4 million tonnes for green steel, which will be agai DRI and scrap based. We are also now adding scrap processing facilities.

And in the country, we are beginning with West, then we will add one more in South, which have already -- we have already started creating a supply chain for scrap buying and that's improving every year. So, we are increasing scrap collection and putting it back into our furnaces. So that will further -- even in the converters, if you do that, it will further bring down your overall emissions.

But having said that, we must be conscious of the fact that India doesn't have too much of scrap generation as we speak. It will take time for India to generate scrap on its own. Scrap availability from Europe or from U.S. may go down with their own focus on scrap-based production. The cost of steel or the cost of the technologies are also higher.

For now, the best technology for India is blast furnace-based and using various technologies to reduce the emissions from the blast furnace-based steelmaking. Fuel consumption, circulating gases back, using recovery gases and putting it back into the blast furnaces to reduce your met coal, all those, dehumidifier, various technologies are being used to reduce the emissions from the blast furnaces. That combination with the grade of iron ore we have makes better sense.

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

Rahul Gupta: So, industry grew by -- industry demand grew by 8% in Fiscal '26, while you grew by 12%. And if I adjust numbers for BPSL and BMM, you are guiding for, again, 12% growth for fiscal '27. Does that mean that you remain confident that the industry would grow at around 8%? That is number one. And one related question I have is your capacity expansion guidance is at around 12% CAGR through the years. So, does that mean that you would continue to grow at around 1.5x of the industry continuously for the next few years?

Arun Maheshwari: Yes. I think we -- all of us agree that India would be growing close to about 7% of GDP. And the elasticity for steel growth is close to 1.3x to the GDP. And we have seen this in the past several years. Our guidance is about 8% to 9% or 7% to 9% would be the growth in the steel market in the coming year.

And the way India is growing, the way India is likely to be, we have no doubt that it would be growing close to about 8% to 9% on the steel side. Now this is the overall steel, out of which flat steel is part of it, and we are largely getting to the flat steel. And we have no doubt that about 10% to 12% of market sales growth for JSW would be a challenge on those lines. So, we are quite confident on that.

Jayant Acharya: So, our growth for sales for this year, we have guided is about 10%, excluding...

Rahul Gupta: Jayant sir, if I adjust BPSL from the base and BMM from Fiscal '27, that implies around 12% growth, right?

Jayant Acharya: No. The way we have given our guidance, it's excluding BPSL and including BMM volume.

Rahul Gupta: Right, exactly. So, if I adjust BPSL from Fiscal '26 base as well, your growth would be more like 12%, right?

Arun Maheshwari: That's right.

Jayant Acharya: Adjusted growth from BPSL, if you net off, according to me, it's about 10%. But you can -- our investor -- sales is 10% and production is 13%, but they can clarify that to you if there is any doubt.

Ashwin Bajaj: We can reconcile that offline, no problem.

Moderator: Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you.

Ashwin Bajaj: So, thank you, operator. Just one clarification I would like to make is -- this is Ashwin Bajaj, we got some queries. So, regarding the accounting impact of BPSL, we have a slide, Page number 5 in the presentation. Kindly refer to that. BPSL has been deconsolidated at March-end. And the numbers for BPSL will not be part of financials of EBITDA. It would be equity accounting, and there is a line in the P&L, which says income from associates and joint ventures. So that's where BPSL financials would sit. So over to Mr. Acharya for any closing comments.

Jayant Acharya: I think as we highlighted, we had a transformational year. Our operational performance has been strong. Our balance sheet is much stronger, and we have deleveraged, making the foundation for the next phase of growth. We have targeted 62 million tonnes in India by FY32 in addition to the joint ventures, which would cumulatively add 16 million tonnes. We believe that India-centric growth, India is in a very long-time growth story for a decade or two, and we would be able to support that growth in the industrial ecosystem in India. Thank you very much. If you have any other questions, please reach back to the investor cell. Thank you.

Moderator:

Thank you very much. On behalf of JSW Steel Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.